

Kennis word hiermee gegee in terme van Artikel 29 van die Plaaslike Regering : Munisipale Strukture Wet, 1998 (Wet 117 van 1998) soos gewysig, dat 'n <b>Gewone Raadsvergadering</b> van die Munisipaliteit Witzenberg gehou sal word op <b>Woensdag, 24 Januarie 2018 om 10:00.</b>	Notice is hereby given in terms of Section 29(2) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) as amended, that an <b>Ordinary Council Meeting</b> of the Witzenberg Municipality will be held in the <b>Council Chambers</b> on <b>Wednesday, 24 January 2018 at 10:00.</b>
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**Raadslede en Amptenare / Councillors and officials**

Councillor TE Abrahams	Councillor K Adams (Deputy Executive Mayor)	Councillor P Daniels
Councillor TT Godden (Speaker)	Councillor P Heradien	Councillor SJ Hugo
Councillor MD Jacobs	Councillor D Kinnear	Councillor BC Klaasen (Executive Mayor)
Councillor GG Laban	Councillor C Lottering	Councillor M Mdala
Councillor TP Mgoboza	Councillor ZS Mzauziwa	Councillor N Phatsoane
Councillor JT Phungula	Alderman JW Schuurman	Councillor EM Sidego
Councillor RJ Simpson	Alderman HJ Smit	Councillor D Swart
Councillor HF Visagie	Councillor JJ Visagie	
Municipal Manager	Director: Finance	Director: Community Services
Director: Technical Services	Director: Corporate Services	Deputy Director: Finance
Head: Internal Audit	Manager: Projects and Performance	Manager: Administration
IDP Manager	Legal Advisor	Principal Administrative Officer
Committee Clerk		

**TER INLIGTING / FOR INFORMATION**

Volledige stukke		
Voorsitter: IMATU (Me. M Pieterse)	Wvd. Voorsitter: SAMWU (Mnr. C Appolis)	
Bella Vista Biblioteek	Emfundweni Biblioteek	John Steyn Biblioteek
Rietvallei Biblioteek	Montana Biblioteek, Wolseley	Wolseley Biblioteek
Tulbagh Biblioteek	Witzenville Biblioteek, Tulbagh	Op-die-Berg Biblioteek
Prince Alfred's Hamlet Biblioteek	Alderlady MC du Toit	

Per e-pos		
Ceres Business Initiative Mr N Bettesworth. Cell: (083) 462-8345 E-mail: manager@cerescbi.co.za		



**COUNCILLOR TT GODDEN  
SPEAKER**

18 January 2018

# AGENDA

**1. OPENING AND WELCOME**

**2. CONSIDERATION OF APPLICATION FOR LEAVE OF ABSENCE, IF ANY  
(3/1/2/1)**

**3. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED**

**3.1 Gratitude, Congratulations and Commiseration  
(11/4/3)**

Council's congratulations are conveyed to the following councillors and spouses on their birthdays:

- Mr M Mzauziwa 1 January
- Councillor B Klaasen 8 January
- Councillor J Phungula 15 January
- Councillor H Visagie 18 January
- Ms F Adams 24 January
- Ms C Godden 25 January

**NOTED.**

**3.2 Matters raised by the Speaker  
(09/1/1)**

**3.3 Matters raised by the Executive Mayor  
(09/1/1)**

**4. MINUTES**

**4.1 Approval of minutes  
(3/1/2/3)**

The minutes of the Council Meeting, held on 5 December 2017, are attached as **annexure 4.1**.

**RECOMMENDED**

*That the minutes of the Council Meeting, held on 5 December 2017, be approved and signed by the Speaker.*

**4.2 Outstanding matters  
(3/3/2)**

File reference	Heading, item no. and date	Directorate	Action	Progress	Target date
17/18/1	8.3.1 of 5 December 2017 Allocation of land for informal traders	Community Services	That the matter be held in abeyance.		

**RECOMMENDED**

*That notice be taken of the outstanding matter.*

**5. MOTIONS AND NOTICE OF SUGGESTIONS**

**6. INTERVIEWS WITH DELEGATIONS**

**7. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS**

**7.1 Minutes: Committee meetings  
(03/3/2)**

The reports/minutes of the following meetings are attached:

- (a) Executive Mayoral Committee meeting, held on 23 October 2017: **Annexure 7.1(a)**.
- (b) Municipal Public Accounts meeting, held on 26 October 2017: **Annexure 7.1(b)**.
- (c) Performance, Risk and Audit Committee, held on 22 November 2017: **Annexure 7.1(c)**.

**RECOMMENDED**

*that notice be taken of the minutes of the committee meetings and the same be accepted.*



**8. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS**

**8.1 Direktooraat Finansies / Directorate Finance**

**8.1.1 Witzenberg Annual Report and Oversight Report: 2016/2017  
(5/14/2 & 9/1/1)**

The following report, dated 16 January 2018, was received from the Director: Finance:

"Purpose

The purpose of this report is to submit the Annual Report and Oversight Report for 2016/2017 to Council for consideration.

Legislature framework

In terms of Section 127 (2) of the Municipal Finance Management Act (Act 56 of 2003), the Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

Section 129 to 131 of the Municipal Finance Management Act (Act 56 of 2003) states as follows:

**'129. Oversight reports on annual reports.**

(1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

- (a) has approved the annual report with or without reservations;
- (b) has rejected the annual report; or
- (c) has referred the annual report back for revision of those components that can be revised.

(2) The accounting officer must—

- (a) attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and
- (b) submit copies of the minutes of those meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

(3) The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report referred to in subsection (1) within seven days of its adoption.

(4) The National Treasury may issue guidelines on—

- (a) the manner in which municipal councils should consider annual reports and conduct public hearings; and
- (b) the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

(5) No guidelines issued in terms of subsection (4) are binding on a municipal council unless adopted by the council.

(6) This section, with the necessary modifications as the context may require, is also applicable if only components of the annual report were tabled in terms of section 127 (3).

**130. Council meetings open to public and certain public officials.**

(1) The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state, and a reasonable time must be allowed—

- (a) for the discussion of any written submissions received from the local community or organs of state on the annual report; and
- (b) for members of the local community or any organs of state to address the council.

(2) Representatives of the Auditor-General are entitled to attend, and to speak at, any council meeting referred to in subsection (1).

(3) This section, with the necessary modifications as the context may require, is also applicable if only components of the annual report were tabled in terms of section 127 (3).

**131. Issues raised by Auditor-General in audit reports.**

(1) A municipality must address any issues raised by the Auditor-General in an audit report. The mayor of a municipality must ensure compliance by the municipality with this subsection.

(2) The MEC for local government in the province must—

(a) assess all annual financial statements of municipalities in the province, the audit reports on such statements and any responses of municipalities to such audit reports, and determine whether municipalities have adequately addressed any issues raised by the Auditor-General in audit reports; and

(b) report to the provincial legislature any omission by a municipality to adequately address those issues within 60 days.'

**Discussion**

The Draft Annual Report for 2016/2017 was tabled to council on 5 December 2017.

Council resolved on 5 December 2017 that the Municipal Public Accounts Committee compiles a report on the Draft Annual Report as per its delegated powers.

The Annual Report for 2016/2017 is attached as **annexure 8.1.1(a)**.

The Oversight Report for 2016/2017 is attached as **annexure 8.1.1(b)**."

**RECOMMENDED**

*that having fully considered the 2016/2017 Annual Report of the Witzenberg Municipality, Council adopts the 2016/2017 Oversight Report and approves the 2016/2017 Annual Report without reservations.*

**8.1.2 Mid-year Budget Statement and Performance Assessment (Section 72 Report) for period 1 July to 31 December 2017 (9/1/1)**

Item 7.1.1 of the Executive Mayoral Committee meeting, still to be held, refers.

The Mid-year Budget Statement and Performance Assessment (Section 72 Report) for the period 1 July to 31 December 2017 is attached as **annexure 8.1.2**.

The following recommendation is tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

that notice be taken of the Mid-year Budget Statement and Performance Assessment (Section 72 Report) for the period 1 July to 31 December 2017 and the same be accepted.

**RECOMMENDED**

*For consideration of the Executive Mayoral Committee's recommendation to Council.*

**8.1.3 Quarterly Budget Statement Report [Section 52(d)] for period 1 October 2017 to 31 December 2017  
(9/1/2/2)**

Item 7.1.2 of the Executive Mayoral Committee meeting, still to be held, refers.

The Quarterly Budget Statement Report [Section 52(d)] for the period 1 October 2017 to 31 December 2017 is attached as **annexure 8.1.3**.

The following recommendation is tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

that notice be taken of the Quarterly Budget Statement Report [Section 52(d)] for the period 1 October 2017 to 31 December 2017 and the same be accepted.

**RECOMMENDED**

*For consideration of the Executive Mayoral Committee's recommendation to Council.*

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**8.2 Direktooraat Tegniëse Dienste / Directorate Technical Services**

**8.2.1 Draft By-law for house shops in the Witzenberg municipal area  
(15/4/P)**

The following items refer:

- (a) Item 7.2.6 of the Executive Mayoral Committee meeting, held on 1 December 2017.
- (b) Item 8.2.6 of the council meeting, held on 5 December 2017.

The following documents are attached:

- (a) Memorandum from the Municipal Manager, dated 28 November 2017: **Annexure 8.2.1(a)**.
- (b) Draft By-law for house shops in the Witzenberg municipal area: **Annexure 8.2.1(b)**.
- (c) Attendance register of Public Participation Process: **Annexure 8.2.1(c)**.
- (d) Inputs from the public: **Annexure 8.2.1(d)**.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (a) that the proposals of the public be considered and incorporated as recommended by the Division Town Planning and Building Control.
- (b) that Council provisionally adopts the by-Law for house shops in the Witzenberg municipal area.

- (c) that the Draft By-Law be advertised for public comments for at least 30 days.
- (d) that the Municipal Manager, as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.

The following recommendation was tabled to Council:

That the Executive Mayoral Committee recommends to Council:

- (a) that the proposals of the public be considered and incorporated as recommended by the Division Town Planning and Building Control.
- (b) that Council provisionally adopts the by-Law for house shops in the Witzenberg municipal area.
- (c) that the Draft By-Law be advertised for public comments for at least 30 days.
- (d) that the Municipal Manager, as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.

Council resolved on 5 December 2017 that the matter in respect of the Draft By-Law for House Shops in the Witzenberg municipal area be held in abeyance.

#### **RECOMMENDED**

- (a) *that the proposals of the public be considered and incorporated as recommended by the Division Town Planning and Building Control.*
- (b) *that Council provisionally adopts the by-Law for house shops in the Witzenberg municipal area.*
- (c) *that the Draft By-Law be advertised for public comments for at least 30 days.*
- (d) *that the Municipal Manager, as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.*

### **8.3     Direktoraat Gemeenskapsdienste / Directorate Community Services**

None

**NOTED**

**8.4     Direktoraat Korporatiewe Dienste / Directorate Corporate Services**

**8.4.1   Draft Standard By-law on the Rules of Order for the meetings of the Witzenberg Council and its committees  
(1/3/1/25)**

The following items refer:

- (a)     Item 7.4.1 of the Executive Mayor and Mayoral Committee meeting, held on 26 September 2017.
- (b)     Item 8.4.1 of the council meeting, held on 27 September 2017.
- (c)     Item 7.4.1 of the Executive Mayoral Committee, still to be held.

Council unanimously resolved on 27 September 2017:

- (a)     that Council provisionally adopts the Draft By-Law on the Rules of Order for the meetings of the Witzenberg Council and its committees.
- (b)     that the Draft By-Law be advertised for public comments for at least 30 days.
- (c)     that the Municipal Manager, as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.

The following memorandum, dated 17 January 2018, was received from the Senior Legal Advisor:

"Purpose

To recommend to Council to approve the final By-Law on the Rules of Order for the meetings of the Witzenberg Council, its committees and public meetings.

Background and deliberation

The draft by-law was adopted by Council on 27 September 2017. See **annexure 8.4.1(a)**.

A public participation process was followed and any written proposals for amendments, additions and deletions to the draft had to be forwarded to the office of the Municipal Manager before 8 December 2017. A copy of the advertisement that was placed in the Witzenberg Herald is attached as **annexure 8.4.1(b)**. It is recorded that no inputs and/or comments have been received. The draft by-law is attached as **annexure 8.4.1(c)**.

Legal implication

If Council approves this by-law it must be published in the Government Gazette."

The following recommendation is tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (i) that the Draft By-Law on the Rules of Order for the meetings of the Witzenberg Council and its committees be adopted.
- (ii) that the approved By-law be published in the Government Gazette.

**RECOMMENDED**

*For consideration of the Executive Mayoral Committee's recommendation to Council.*

**9. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA**

**10. FORMAL AND STATUTORY MATTERS**

**10.1 Feedback on matters of outside bodies  
(3/R)**

**11. QUESTIONS and/or MATTERS RAISED by COUNCILLORS**

**12. ADJOURNMENT**



**MINUTES OF THE COUNCIL MEETING OF WITZENBERG MUNICIPALITY, HELD IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, 50 VOORTREKKER STREET, CERES ON TUESDAY, 5 DECEMBER 2017 AT 10:00**

**PRESENT**

Councillors

TT Godden (Speaker)  
BC Klaasen (Executive Mayor)  
K Adams (Deputy Executive Mayor)  
TE Abrahams  
P Daniels  
MD Jacobs  
D Kinnear  
C Lottering  
M Mdala  
TP Mgoboza  
ZS Mzauziwa  
N Phatsoane  
JT Phungula  
EM Sidego  
RJ Simpson  
D Swart  
HF Visagie  
JJ Visagie

Aldermen

JW Schuurman  
HJ Smit

Ex-councillor

Alderlady MC du Toit

Officials

Mr D Nasson (Municipal Manager)  
Mr J Barnard (Director: Technical Services)  
Ms J Krieger (Director: Community Services)  
Mr HJ Kritzinger (Director: Finance)  
Mr M Mpeluzi (Director: Corporate Services)  
Mr G Louw (Head: Internal Audit)  
Ms L Nieuwenhuis (Legal Advisor)  
Mr CG Wessels (Manager: Administration)  
Mr C Titus (Committee Clerk)

Other representatives

Mr N Bettsworth (Ceres Business Initiative)

**1. OPENING AND WELCOME**

The Speaker welcomed everyone present and requested Councillor MD Jacobs to open the meeting with a prayer.

**NOTED**

**2. CONSIDERATION OF APPLICATION FOR LEAVE OF ABSENCE, IF ANY  
(3/1/2/1)**

An application for leave of absence from the meeting was received from Councillor GG Laban (Witzenberg Aksie).

**RESOLVED**

*that the application for leave of absence from the meeting, received from Councillor GG Laban, be approved and accepted.*

**3. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED**

**3.1 Gratitude, Congratulations and Commiseration  
(11/4/3)**

(a) The Deputy Executive Mayor conveyed Council's congratulations to the following councillors and spouses on their birthdays:

- Councillor R Simpson 10 November
- Councillor T Mgoboza 15 November
- Councillor M Mdala 16 November
- Ms D Heradien 22 November
- Ms C Jacobs 5 December
- Councillor T Godden 10 December
- Ms S Hugo 18 December
- Councillor S Hugo 19 December

**NOTED.**

(b) The Deputy Executive Mayor, Councillor K Adams, conveyed condolences on behalf of Council to the Director: Community Services on the passing of her father-in-law. Council held a moment of silence in honour and respect of his life.

**NOTED**

**3.2 Official conferment of alderman and alderlady status to Councillors HJ Smit and JW Schuurman and ex-councillor MC du Toit (3/P)**

Report from the Municipal Manager, dated 29 November 2017:

“Council adopted its policy on the conferment of aldermanship to councillors of the Witzenberg Municipality on 26 July 2016. A copy of the policy is attached as **annexure 3.2**.

In terms of the criteria as set out in the policy, Council resolved to confer the status of Aldermanship and Alderlady to Councillors HJ Smit, JW Schuurman and ex-councillor MC du Toit respectively. No official conferment took place and the purpose of the item is to officially confer the status to the councillors and ex-councillor as per Council's policy. The Speaker of Council will conduct the ceremony and confer the status to the councillors and ex-councillor during the council meeting.”

The official conferment took place with the Speaker conducting the ceremony in accordance with Council's policy. The various political parties in attendance conveyed congratulations with joy and honour in respect of Aldermen HJ Smit and JW Schuurman and Alderlady MC du Toit.

The Speaker adjourned the meeting temporarily for refreshments, the taking of official council photos and a time to celebrate with the Aldermen and Alderlady.

**UNANIMOUSLY RESOLVED**

*that notice be taken of the conferment of Alderman and Alderlady status to Councillors HJ Smit, JW Schuurman and ex-councillor MC du Toit.*

**3.3 Matters raised by the Speaker (09/1/1)**

The Speaker notified Council that a possible special Council meeting in respect of the upper limits will be held on 14 December 2017. The Minister will announce the matter on 12 December 2017 after which the meeting will take place.

**NOTED**

**3.4 Matters raised by the Executive Mayor (09/1/1)**

- (a) The Executive Mayor congratulated the two Aldermen, HJ Smit and JW Schuurman, and Alderlady MC du Toit on the achievement of the status received in the Witzenberg Council.
- (b) The Executive Mayor congratulated the Municipal Manager, Senior Management Team, Director: Finance and the mSCOA team on obtaining a fifth consecutive Clean Audit Report.
- (c) The Executive Mayor announced that the annual Mayoral Christmas dinner for the elderly will take place on Wednesday, 6 December 2017.

- (d) The Executive Mayor mentioned that the tenth municipal Christmas market will be held from 8 to 10 December 2017 and requested councillors to attend the event.
- (e) The Executive Mayor reminded councillors about and invited them to the Arrive Alive campaign that will be held on Friday, 8 December 2017 from 10:00 at the entrance of Ceres.
- (f) The Executive Mayor requested councillors who wish to attend the opening of schools in January 2018 to inform the Manager: Communications and Marketing of such intentions in order to arrange the logistics.
- (g) The Executive Mayor wished the ANC councillors a safe journey to attend the coming ANC election conference.
- (h) The Executive Mayor wished everyone a blessed festive season and a prosperous 2018. The Executive Mayor expressed his gratitude towards everyone for a wonderful 2017.

**NOTED**

**4. MINUTES**

**4.1 Approval of minutes  
(3/1/2/3)**

The minutes of the council meeting, held on 25 October 2017, are attached as **annexure 4.1**.

**RESOLVED**

*That the minutes of the council meeting, held on 25 October 2017, be approved and signed by the Speaker.*

**4.2 Outstanding matters  
(3/3/2)**

File reference	Heading, item no. and date	Directorate	Action	Progress	Target date
1/3/1/25	8.4.1 of 27-09-2017 Draft Standard By-law on the Rules of Order for the meetings of the Witzenberg Council and its committees	Municipal Manager	that the Municipal Manager, as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.		

**UNANIMOUSLY RESOLVED**

*that notice be taken that the Public Participation Process in respect of the Draft Standard By-Law on the Rules of Order for the meetings of the Witzenberg Council and its committees has been completed.*

**5. MOTIONS AND NOTICE OF SUGGESTIONS**

None

**NOTED**

**6. INTERVIEWS WITH DELEGATIONS**

**6.1 Update on Special Economic Zone and Agri-port project at Wolseley (17/19/1)**

The Municipal Manager informed the meeting that Mr Kekane of Messrs Silverdale Project (Pty) Ltd informed the municipality that he cannot attend the meeting to make a presentation. The matter will be held in abeyance until the next meeting.

**NOTED**

**7. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS**

**7.1 Minutes: Committee meetings  
(03/3/2)**

The reports/minutes of the following workshop and meetings are attached:

- (a) Municipal Public Accounts Committee, held on 22 March 2017: **Annexure 7.1(a).**
- (b) Municipal Public Accounts Committee, held on 26 May 2017: **Annexure 7.1(b).**
- (c) Performance, Risk and Audit Committee, held on 8 September 2017: **Annexure 7.1(c).**
- (d) Committee for Local Economic Development and Tourism, held on 20 September 2017: **Annexure 7.1(d).**
- (e) Committee for Community Development, held on 21 September 2017: **Annexure 7.1(e).**
- (f) Committee for Corporate and Financial Services, held on 21 September 2017: **Annexure 7.1(f).**
- (g) Council workshop held on 11 October 2017: **Annexure 7.1(g).**
- (h) Committee for Housing Matters, held on 12 October 2017: **Annexure 7.1(h).**
- (i) Committee for Technical Services, held on 18 October 2017: **Annexure 7.1(i).**
- (j) Committee for Local Economic Development and Tourism, held on 18 October 2017: **Annexure 7.1(j).**

**UNANIMOUSLY RESOLVED**

*that notice be taken of the minutes and report of the committee meetings and workshop and the same be accepted.*



**8. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS**

**8.1 Direktoraat Finansies / Directorate Finance**

**8.1.1 Section 71 monthly reports of the Department Finance: August and September 2017 (9/1/2/2)**

The following items refer:

- (a) Item 7.1 of the meeting of the Committee for Corporate and Financial Services, held on 16 November 2017.
- (b) Item 8.1 of the Performance, Risk and Audit Committee meeting, held on 22 November 2017.
- (c) Item 7.1.1 of the Executive Mayoral Committee meeting, held on 1 December 2017.

The following Section 71 monthly reports of the Department Finance are attached:

- (a) August 2017 **Annexure 8.1.1(a)**
- (b) September 2017 **Annexure 8.1.1(b)**

The Committee for Corporate and Financial Services resolved on 16 November 2017 to recommend to the Executive Mayoral Committee and Council:

that the content of the monthly reports of the Department Finance for August and September 2017 be noted and the same be accepted.

The Performance, Risk and Audit Committee resolved on 22 November 2017 that the Performance, Risk and Audit Committee recommends to the Executive Mayoral Committee and Council:

that notice be taken of the Section 71 monthly reports of the Department Finance for August and September 2017 and the same be accepted.

The Director: Finance submitted the report to the Executive Mayoral Committee and the following matters/remarks were highlighted:

- that in respect of outstanding monies of councillors, letters were forwarded and the matter is receiving attention.
- that government departments have responded on requests with regard to outstanding monies, but not yet satisfactorily.
- that the matter of BEE will receive attention until the relevant policy has been adopted.
- that the Municipal Manager will attend to the problem of faulty water meters and report back at the next Executive Mayoral Committee meeting.

The Executive Mayoral Committee unanimously resolved on 1 December 2017

That the Executive Mayoral Committee recommends to Council:

that the content of the Section 71 monthly reports of the Department Finance for August and September 2017 be noted and the same be accepted.

**UNANIMOUSLY RESOLVED**

*that the content of the Section 71 monthly reports of the Department Finance for August and September 2017 be noted and the same be accepted.*

**8.1.2 Risk Based Audit Plan: 2017 – 2018  
(5/14/2)**

The following items refer:

- (a) Item 6.4.7 of the Performance, Risk and Audit Committee meeting, held on 8 September 2017.
- (b) Item 7.1.2 of the Executive Mayoral Committee meeting, held on 1 December 2017.

The Performance, Risk and Audit Committee resolved on 8 September 2017:

- (a) that the three year Strategic Audit Plan for 2016 – 2019 remains unchanged and be reviewed in 2019.
- (b) that the Risk Based Audit Plan for 2017/2018 be finalised and tabled to Council for approval.

The Risk Based Audit Plan for 2017/2018, dated July 2017, is attached as **annexure 8.1.2**.

The Risk Based Audit Plan for 2017 – 2018 was submitted to the Executive Mayoral Committee and the following matters/remarks were highlighted:

- that the Time and Attendance Policy was workshopped by Council and is submitted to Council for approval at the next meeting.
- that a Fleet Manager was appointed.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

that the Risk Based Audit Plan for 2017/2018 be approved.

**UNANIMOUSLY RESOLVED**

*that the Risk Based Audit Plan for 2017/2018 be approved.*

**8.1.3 Draft Witzenberg Annual Report: 2016/2017  
(5/14/2 & 9/1/1)**

Item 7.1.3 of the Executive Mayoral Committee meeting, held on 1 December 2017, refers.

The following memorandum, dated 28 November 2017, was received from the Director: Finance:

"Purpose

The purpose of this report is to table the draft annual report for 2016/2017 to Council.

Legislature framework

In terms of Section 127 (2) of the Municipal Finance Management Act (Act 56 of 2003), the Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

Discussion

The report of the Auditor-general of South Africa on the Annual Financial Statements, Predetermined Objectives, Compliance with Legislation and Internal Controls and the audited financial statements for the year ended 30 June 2017 must form part of the Draft Annual Report. The mentioned documents must be issued by the Auditor-general not later than 30 November 2017 and will be distributed at the council meeting.

The draft annual report for 2016/2017 is attached as **annexure 8.1.3.**"

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (i) that notice be taken of the Draft Witzenberg Municipality Annual Report for 2016/2017.
- (ii) that a public participation process be followed as prescribed by law.
- (iii) that the Municipal Public Accounts Committee compiles an oversight report on the Draft Annual Report as per its delegated powers, not later than 16 January 2018.

**UNANIMOUSLY RESOLVED**

- (a) *that notice be taken of the Draft Witzenberg Municipality Annual Report for 2016/2017.*
- (b) *that a public participation process be followed as prescribed by law.*
- (c) *that the Municipal Public Accounts Committee compiles an oversight report on the Draft Annual Report as per its delegated powers, not later than 16 January 2018.*

**8.1.4 Supply Chain Management Policy for Infrastructure Procurement  
(8/1/P)**

The following items refer:

- (a) Item 7.1.6 of the Executive Mayoral Committee meeting, held on 23 October 2017.
- (b) Item 8.1.6 of the council meeting, held on 25 October 2017.
- (c) Item 7.1.4 of the Executive Mayoral Committee meeting, held on 1 December 2017.

The following documents are attached:

- (a) Memorandum from the Director: Finance, dated 18 October 2017: **Annexure 8.1.4(a)**.
- (b) MFMA Circular no. 77 from National Treasury: **Annexure 8.1.4(b)**.
- (c) Witzenberg Supply Chain Management Policy: **Annexure 8.1.4(c)**.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

That the Witzenberg Supply Chain Management Policy for Infrastructure be approved and adopted by Council as an addendum to the Witzenberg Supply Chain Management Policy.

The Executive Mayoral Committee resolved on 23 October 2017 that the matter in respect of the Supply Chain Management Policy for Infrastructure be held in abeyance until the next meeting.

Council resolved on 25 October 2017 that the matter in respect of the Supply Chain Management Policy for Infrastructure be held in abeyance until the next meeting.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

That the Witzenberg Supply Chain Management Policy for Infrastructure be approved and adopted by Council as an addendum to the Witzenberg Supply Chain Management Policy.

**UNANIMOUSLY RESOLVED**

*that the Witzenberg Supply Chain Management Policy for Infrastructure be approved and adopted by Council as an addendum to the Witzenberg Supply Chain Management Policy.*

**8.1.5 Quarterly report of Municipal Public Accounts Committee (MPAC) on implementation of budget and state of affairs of municipality / SDBIP: Section 52(d): 1 April 2017 to 30 June 2017 (9/1/2/2)**

The following items refer:

- (a) Item 7.1 of the Municipal Public Accounts Committee meeting, held on 26 October 2017.
- (b) Item 7.1.5 of the Executive Mayoral Committee meeting, held on 1 December 2017.

The Quarterly Budget Statement (Section 52) Report for the period 1 April 2017 to 30 June 2017, received from the Director: Finance, is attached as **annexure 8.1.5**.

The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP [MFMA s17(3)(b)]. The accounting officer must include these objectives in the annual report and report on performance accordingly.

Frequency: Quarterly

Councillor P. Heradien attended from 11:05.

The Municipal Public Accounts Committee discussed the Quarterly report of the Executive Mayor with regard to the SDBIP Section 52(d) report. The following was highlighted:

- TL8 and TL9 in respect of unaccounted water and electricity losses: Regularly meetings are held between the Directorates Finance and Technical Services to discuss and find solutions towards the matter.
- TL15 in respect of number of subsidised electricity connections installed: Attention is given to the matter.
- TL17 in respect of percentage of people from employment equity groups employed in the three highest levels of management: The municipality missed the performance target with only 3 %. It is a difficult target to achieve.
- TL20 in respect of outstanding service debtors: This is a difficult KPI to achieve. Currently there is plans to write off debt. Indigent people use water above the norm and their electricity cannot be cut as a method of disciplinary action. This problem need to be addressed. Furthermore properties cannot be auctioned and the controls of who is really indigent must be refined in order to ensure that the facts are correct.
- TL29 in respect of customer satisfaction survey of community facilities: The municipality spend lots of monies on municipal facilities but still a lot of complaints are received from the communities.

Councillor C. Lottering:

- Debtors need to be informed repeatedly of their responsibility towards the municipality therefore the current modus operandi / method of the municipality with regard to the recovery of debt need to be reconsidered.

- Seasonal workers receiving indigent must inform the municipality when they start working again.

Councillor G. Laban:

- Ward Councillors, as the extension between the municipality and the communities, must inform the wards regarding the recovery of outstanding debt in order to find solutions for the problem.

The Director: Finance mentioned that the Credit Control Policy contains guidelines in respect of debt recovery and that a pamphlet will be distributed in the communities again. Furthermore that arrangements to pay off debt can be done.

The Chairperson expressed concern with regard to the relevancy of Key Performance Indicator targets being achieved. For example how effective is the implementation of the Indigent Policy in terms of children who stay with their parents.

Councillor P. Heradien was of the opinion that the Indigent Policy is not applied effectively. Information provided at council meetings are also not confirmed afterwards for example that the land on which the Nduli School was built was not transferred from the municipality to the Western Cape Education Department.

The Municipal Public Accounts Committee resolved on 26 October 2017:

- (a) that the Municipal Public Accounts Committee takes notice of the various challenges facing the municipality.
- (b) To recommend to the Executive Mayoral Committee and Council:
  - (i) that the Municipal Public Accounts Committee takes notice of the Quarterly SDBIP Section 52(d) report of the Executive Mayor on implementation of budget and state of affairs of the municipality and accept it.
  - (ii) that the current *modus operandi* / methods to recover the outstanding municipal debt be re-thought and considered by Council.
  - (iii) that ward councillors inform the communities in the wards in respect of outstanding municipal debt and find solutions for the problem.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (a) that notice be taken of the Quarterly SDBIP Section 52(d) report of the Executive Mayor on the implementation of the budget and the state of affairs of the municipality and accept the same.
- (b) that the current *modus operandi* / methods to recover the outstanding municipal debt be re-thought and considered by Council.
- (c) that ward councillors inform the communities in the wards in respect of outstanding municipal debt and find solutions for the problem.



The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

that notice be taken of the Quarterly SDBIP Section 52(d) report of the Executive Mayor on the implementation of the budget and the state of affairs of the municipality and the same be accepted.

**RESOLVED**

*that notice be taken of the Quarterly SDBIP Section 52(d) report of the Municipal Public Accounts Committee (MPAC) on the implementation of the budget and the state of affairs of the municipality and the same be accepted.*

**8.1.6 Quarterly Budget Statement [Section 52(d)] Report: 1 July 2017 to 30 September 2017 (9/1/2/2)**

Item 7.1.6 of the Executive Mayoral Committee meeting, held on 1 December 2017, refers.

The Quarterly Budget Statement [Section 52(d)] Report for the period 1 July 2017 to 30 September 2017 is attached as **annexure 8.1.6**.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

that the Quarterly Budget Statement [Section 52(d)] Report for the period 1 July 2017 to 30 September 2017 be approved and accepted.

**UNANIMOUSLY RESOLVED**

*that the Quarterly Budget Statement [Section 52(d)] Report for the period 1 July 2017 to 30 September 2017 be approved and accepted.*

**8.1.7 Reconnection of electricity over the festive period (5/12/1/R)**

Item 8.1.1 of the Executive Mayoral Committee meeting, held on 1 December 2017, refers.

Purpose

To consider the reconnection of all electricity consumers over the festive period from 21 December 2017 to 5 January 2018.

Deliberation

It has become customary for Council to reconnect the electricity supply of defaulters over the festive period. This is in the spirit of goodwill and also to ensure that all households enjoy the festive season. In the past Council has drawn a distinction between the prepaid and the conventional consumers.

In terms of the conventional consumers they must pay a deposit of R300.00 because the electricity is supplied in advance. If the deposit is not levied Council will incur a loss.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (a) That the electricity of prepaid consumers be reconnected free of charge.
- (b) That the electricity of the suspended conventional consumers be reconnected upon payment of a deposit of R300.00.
- (c) That the concession of goodwill runs from 21 December 2017 until 5 January 2018.
- (d) That the Chief Financial Officer ensures that the public be informed of the Council decision via notices placed at all municipal pay points.

**UNANIMOUSLY RESOLVED**

- (a) *That the electricity of prepaid consumers be reconnected free of charge.*
- (b) *That the electricity of the suspended conventional consumers be reconnected upon payment of a deposit of R300.00.*
- (c) *That the concession of goodwill runs from 21 December 2017 until 5 January 2018.*
- (d) *That the Chief Financial Officer ensures that the public be informed of the Council decision via notices placed at all municipal pay points, the official website and by loud hailing.*

**8.2      Direktoraat Tegniese Dienste / Directorate Technical Services**

**8.2.1    RSEP Programme: Council approval of Witzenberg Municipality's participation (5/6/1)**

Item 7.2.1 of the Executive Mayoral Committee meeting, held on 1 December 2017, refers.

A memorandum from the Manager: Projects and Performance, dated 11 November 2017, is attached as **annexure 8.2.1**.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (i)      that Council approves the participation of Witzenberg Municipality in the RSEP Programme.
- (ii)     that the Municipal Manager be mandated to sign the relevant agreements.
- (iii)    that proposed projects as identified through the participation processes be submitted to Council as part of the 2018/19 budget process for approval.
- (iv)    That the necessary own co-funding be included in the 2018/19 budget process as stated above.

**UNANIMOUSLY RESOLVED**

- (a)      *that Council approves the participation of Witzenberg Municipality in the RSEP Programme.*
- (b)      *that the Municipal Manager be mandated to sign the relevant agreements.*
- (c)      *that proposed projects as identified through the participation processes be submitted to Council as part of the 2018/19 budget process for approval.*
- (d)      *That the necessary own co-funding be included in the 2018/19 budget process as stated above.*

**8.2.2    Water Services Development Plan: Audit Report: 2016/2017 (16/02/3/)**

The following items refer:

- (a)      Item 7.1 of the meeting of the Committee for Technical Services, held on 15 November 2017.
- (b)      Item 7.2.2 of the Executive Mayoral Committee meeting, held on 1 December 2017.

The following memorandum from the Manager: Water and Sewerage, dated 7 November 2017, refers:

**“Purpose**

To present to Council an audit report in terms of the implementation of the Witzenberg Water Services Development Plan.

**Discussion**

In terms of the National Water Services Act, Section 18:

- (1) A water services authority must report on the implementation of its development plan during each financial year,
- (2) The report
  - (a) must be made within four months after the end of each financial year: and
  - (b) must be given to the Minister, the Minister for Provincial Affairs and Constitutional Development, the relevant Province and every organization representing municipalities having jurisdiction in the area of the water services authority.
- (3) The water services authority must publicise a summary of its report.
- (4) A copy of the report and of its summary must be –
  - (a) available for inspection at the offices of the water services authority; and
  - (b) obtainable against payment of a nominal fee.’

A draft report regarding the Annual Water Services Development Plan Performance and Water Services Audit Report 2016/2017 is attached as **annexure 8.2.2**.

The Committee for Technical Services resolved on 15 November 2017 to recommend to the Executive Mayoral Committee and Council:

that the Draft Water Services Development Plan, Audit Report for the 2016/2017 financial year be approved by Council for submission to the Department Water Services.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

that the Draft Water Services Development Plan: Audit Report for the 2016/2017 financial year be approved by Council for submission to the Department Water Services.

**UNANIMOUSLY RESOLVED**

*that the Draft Water Services Development Plan: Audit Report for the 2016/2017 financial year be approved by Council for submission to the Department Water Services.*

**8.2.3 Voorgestelde sluiting van gedeeltes van munisipale strate (stegies)  
(15/04/R)**

Die volgende items verwys:

- (a) Item 7.2 van die vergadering van die Komitee vir Tegnieiese Dienste, gehou op 15 November 2017.
- (b) Item 7.2.3 van die Uitvoerende Burgemeesterskomitee vergadering, gehou op 1 Desember 2017.

'n Memorandum vanaf die Direkteur: Tegnieiese Dienste, gedateer 31 Oktober 2017, word ingebind as **bylae 8.2.3**.

Die Komitee vir Tegnieiese Dienste het op 15 November 2017 besluit om by die Uitvoerende Burgemeesterskomitee en Raad aan te beveel:

- (a) Olienhoutlaan, Prince Alfred's Hamlet
  - (i) dat dit nie noodsaaklik is om gedeelte pad aangrensend erwe 1022 en 1042, Olienhoutlaan, Prince Alfred's Hamlet te behou nie en dit dus gesluit word.
  - (ii) dat die geaffekteerde grondeienaar vir kommentaar genader word.
- (b) Skuinsbaaistraat, Prince Alfred's Hamlet
  - (i) dat die gedeelte pad aangrensend erwe 912 en 895, Skuinsbaaistraat, Prince Alfred's Hamlet permanent gesluit word en aangebied word aan die geaffekteerde eienaar.
  - (ii) dat 'n strook gelaat word vir voetgangerdeurgang.
- (c) Breëstraat, Prince Alfred's Hamlet
  - (i) dat die gedeelte pad aangrensend erwe 885 en 972 Breëstraat, Prince Alfred's Hamlet tydelik toegespan word en indien die Raad die toegang sou benodig, dit weer oopgemaak word.
  - (ii) dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.
- (d) Palmstraat, Bella Vista, Ceres
  - (i) dat die gedeelte pad aangrensend erwe 6688 en 6689 Palmstraat, Bella Vista, Ceres tydelik toegespan word en indien die Raad die toegang sou benodig, dit weer oopgemaak word.
  - (ii) dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.

- (e) Kareestraat, Bella Vista, Ceres
  - (i) dat die gedeelte pad aangrensend erf 6790, Kareestraat, Bella Vista, Ceres tydelik toegespan word op so 'n wyse dat die padoppervlak behou word en toegang tot die plaas kan voortbestaan.
  - (ii) dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.

Die Uitvoerende Burgemeesterskomitee het op 1 Desember 2017 eenparig besluit:

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (a) Olienhoutlaan, Prince Alfred's Hamlet
  - (i) dat dit nie noodsaaklik is om die gedeelte pad aangrensend erwe 1022 en 1042, Olienhoutlaan, Prince Alfred's Hamlet te behou nie en dit dus gesluit word.
  - (ii) dat die geaffekteerde grondeienaar vir kommentaar genader word.
- (b) Skuinsbaaistraat, Prince Alfred's Hamlet
  - (i) dat die gedeelte pad aangrensend erwe 912 en 895, Skuinsbaaistraat, Prince Alfred's Hamlet permanent gesluit word en aangebied word aan die geaffekteerde eienaar.
  - (ii) dat 'n strook gelaat word vir voetgangerdeurgang.
- (c) Breëstraat, Prince Alfred's Hamlet
  - (i) dat die gedeelte pad aangrensend erwe 885 en 972 Breëstraat, Prince Alfred's Hamlet tydelik toegespan word en indien die Raad die toegang sou benodig, dit weer oopgemaak word.
  - (ii) dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.
- (d) Palmstraat, Bella Vista, Ceres
  - (i) dat die gedeelte pad aangrensend erwe 6688 en 6689 Palmstraat, Bella Vista, Ceres tydelik toegespan word en indien die Raad die toegang sou benodig, dit weer oopgemaak word.
  - (ii) dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.
- (e) Kareestraat, Bella Vista, Ceres
  - (i) dat die gedeelte pad aangrensend erf 6790, Kareestraat, Bella Vista, Ceres tydelik toegespan word op so 'n wyse dat die padoppervlak behou word en toegang tot die plaas kan voortbestaan.

- (ii) dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.
- (f) dat die aanbevelings supra (a) tot (e) onderhewig is daaraan dat die sluitings geadverteer word vir publieke beswaar.
- (g) dat indien besware ontvang word, 'n Publieke Deelnameproses gevolg sal word.

#### **EENPARIG BESLUIT**

- (a) *Olienhoutlaan, Prince Alfred's Hamlet*
  - (i) *dat dit nie noodsaaklik is om die gedeelte pad aangrensend erwe 1022 en 1042, Olienhoutlaan, Prince Alfred's Hamlet te behou nie en dit dus gesluit word.*
  - (ii) *dat die geaffekteerde grondeienaar vir kommentaar genader word.*
- (b) *Skuinsbaastraat, Prince Alfred's Hamlet*
  - (i) *dat die gedeelte pad aangrensend erwe 912 en 895, Skuinsbaastraat, Prince Alfred's Hamlet permanent gesluit word en aangebied word aan die geaffekteerde eienaar.*
  - (ii) *dat 'n strook gelaat word vir voetgangerdeurgang.*
- (c) *Breëstraat, Prince Alfred's Hamlet*
  - (i) *dat die gedeelte pad aangrensend erwe 885 en 972 Breëstraat, Prince Alfred's Hamlet tydelik toegespan word en indien die Raad die toegang sou benodig, dit weer oopgemaak word.*
  - (ii) *dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.*
- (d) *Palmstraat, Bella Vista, Ceres*
  - (i) *dat die gedeelte pad aangrensend erwe 6688 en 6689 Palmstraat, Bella Vista, Ceres tydelik toegespan word en indien die Raad die toegang sou benodig, dit weer oopgemaak word.*
  - (ii) *dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.*
- (e) *Kareestraat, Bella Vista, Ceres*
  - (i) *dat die gedeelte pad aangrensend erf 6790, Kareestraat, Bella Vista, Ceres tydelik toegespan word op so 'n wyse dat die padoppervlak behou word en toegang tot die plaas kan voortbestaan.*
  - (ii) *dat die standaard oorskrydingsooreenkoms tussen die munisipaliteit en eienaar aangegaan word om beide partye te beskerm.*

- (f) *dat die aanbevelings supra (a) tot (e) onderhewig is daaraan dat die sluitings geadverteer word vir publieke beswaar.*
- (g) *dat indien besware ontvang word, 'n Publieke Deelnameproses gevolg sal word.*
- (h) *dat die sluiting van die Nduli-stegie sowel as alle ander gedeeltes van munisipale strate (stegies) aan 'n Publieke Deelnameproses onderwerp word.*

#### **8.2.4 Witzenberg Drought Management Plan (16/2/1/1/1 & 16/2/5/1)**

Item 7.2.4 of the Executive Mayoral Committee meeting, held on 1 December 2017, refers.

The following documents are attached:

- (a) Memorandum from the Director: Technical Services, dated 27 November 2017: **Annexure 8.2.4(a).**
- (b) Updated Drought Management Plan, dated 29 November 2017: **Annexure 8.2.4(b).**

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

that the updated Drought Management Plan (version 2), dated 29 November 2017, be approved.

#### **UNANIMOUSLY RESOLVED**

*that the updated Drought Management Plan (version 2), dated 29 November 2017, be approved.*

#### **8.2.5 Notariële akte van serwituut en samewerkingsooreenkoms: Koekedouw Dam (16/2/1/1/1)**

Item 7.2.5 van die Uitvoerende Burgemeesterskomitee vergadering, gehou op 1 Desember 2017, verwys.

'n Memorandum van die Direkteur: Tegnieiese Dienste, gedateer 27 November 2017, word aangeheg as **bylae 8.2.5.**

Die volgende aanbeveling is aan die Uitvoerende Burgemeesterskomitee voorgelê:

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (i) Dat die Koekedouw Besproeiingsraad ingelig word dat die kwotas soos per die ooreenkoms gedateer Julie 1996 gestand gedoen moet word, gegewe die huidige droogtesituasie en lae damvlak.



- (ii) Die kwotas is dus as volg vanaf 1 Desember 2017:

	Okt	Nov	Des	Jan	Feb	Mar	Apr	Mei	Jun	Jul	Aug	Sept	Jaarlikse
Munisipaliteit	.83	.97	1.14	1.31	1.10	1.10	.69	.62	.55	.52	.55	.62	10 m
Besproeiingsraad	.45	.45	.45	.45	.45	.45	.40	.78	.78	.78	.78	.78	7 m

- (iii) Dat die situasie hersien word gedurende Maart 2017, met inagneming van die langtermyn verdeling.

Die Uitvoerende Burgemeesterskomitee het op 1 Desember 2017 eenparig besluit:

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (i) Dat die Koekedouw Besproeiingsraad ingelig word dat die kwotas soos per die ooreenkoms gedateer Jullie 1996 gestand gedoen moet word, gegewe die huidige droogtesituasie en lae damvlak.
- (ii) Die kwotas is dus as volg vanaf 1 Desember 2017:

	Okt	Nov	Des	Jan	Feb	Mar	Apr	Mei	Jun	Jul	Aug	Sept	Jaarlikse
Munisipaliteit	.83	.97	1.14	1.31	1.10	1.10	.69	.62	.55	.52	.55	.62	10 m
Besproeiingsraad	.45	.45	.45	.45	.45	.45	.40	.78	.78	.78	.78	.78	7 m

#### **EENPARIG BESLUIT**

- (a) *Dat die Koekedouw Besproeiingsraad ingelig word dat die kwotas soos per die ooreenkoms gedateer Jullie 1996 gestand gedoen moet word, gegewe die huidige droogtesituasie en lae damvlak.*
- (b) *Die kwotas is dus as volg vanaf 1 Desember 2017:*

	Okt	Nov	Des	Jan	Feb	Mar	Apr	Mei	Jun	Jul	Aug	Sept	Jaarlikse
Munisipaliteit	.83	.97	1.14	1.31	1.10	1.10	.69	.62	.55	.52	.55	.62	10 m
Besproeiingsraad	.45	.45	.45	.45	.45	.45	.40	.78	.78	.78	.78	.78	7 m

#### **8.2.6 Draft By-law for house shops in the Witzenberg municipal area (15/4/P)**

Item 7.2.6 of the Executive Mayoral Committee meeting, held on 1 December 2017, refers.

The following documents are attached:

- (a) Memorandum from the Municipal Manager, dated 28 November 2017: **Annexure 8.2.6(a).**
- (b) Draft By-law for house shops in the Witzenberg municipal area: **Annexure 8.2.6(b).**
- (c) Attendance register of Public Participation Process: **Annexure 8.2.6(c).**

- (d) Inputs from the public: **Annexure 8.2.6(d)**.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (a) that the proposals of the public be considered and incorporated as recommended by the Division Town Planning and Building Control.
- (b) that Council provisionally adopts the by-Law for house shops in the Witzenberg municipal area.
- (c) that the Draft By-Law be advertised for public comments for at least 30 days.
- (d) that the Municipal Manager, as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.

The following recommendation was tabled to Council:

That the Executive Mayoral Committee recommends to Council:

- (a) that the proposals of the public be considered and incorporated as recommended by the Division Town Planning and Building Control.
- (b) that Council provisionally adopts the by-Law for house shops in the Witzenberg municipal area.
- (c) that the Draft By-Law be advertised for public comments for at least 30 days.
- (d) that the Municipal Manager, as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.

**RESOLVED**

*that the matter in respect of the Draft By-Law for House Shops in the Witzenberg municipal area be held in abeyance.*

**8.3      Direktoraat Gemeenskapsdienste / Directorate Community Services**

**8.3.1    Allocation of land for informal traders  
(17/18/1)**

The following items refer:

- (a)      Item 6.6 of the meeting of the Committee for Local Economic Development and Tourism, held on 21 September 2017, refers.
- (b)      Item 7.3.1 of the Executive Mayoral Committee meeting, held on 1 December 2017.

A memorandum from the Director: Community Services, dated 1 September 2017, is attached as annexure **8.3.1**.

The Committee for Local Economic Development and Tourism resolved on 20 September 2017 to recommend to the Executive Mayor and Mayoral Committee and Council:

- (a)      that Council takes notice of the status quo report on Informal Traders.
- (b)      that Council approves that the area situated at Voortrekker Street, Ceres, erf 1055, adjacent to the Traffic Department, be earmarked for the operation of small businesses.
- (c)      that the type of facilities for the upgrading and the new site be further investigated and an item be tabled to Council for consideration.
- (d)      that Council grants approval that the vacant municipal building, situated on erf 372 / 175, Stasieweg, Prince Alfred's Hamlet be utilised as an economic hub.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (a)      that Council takes notice of the status quo report on Informal Traders.
- (b)      that Council approves that the area situated at Voortrekker Street, Ceres, erf 1055, adjacent to the Traffic Department, be earmarked for the operation of small businesses.
- (c)      that the type of facilities for the upgrading and the new site be further investigated and an item be tabled to Council for consideration.
- (d)      that Council grants approval that the vacant municipal building, situated on erf 372 / 175, Stasieweg, Prince Alfred's Hamlet be utilised as an economic hub.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (a) that Council takes notice of the status quo report on Informal Traders.
- (b) that the type of facilities for the upgrading and the new site be further investigated and an item be tabled to Council for consideration.
- (c) that Council grants approval that the vacant municipal building, situated on erf 372 / 175, Stasieweg, Prince Alfred's Hamlet be utilised as an economic hub.
- (d) that the matter in respect of the area situated at Voortrekker Street, Ceres, erf 1055, adjacent to the Traffic Department, be held in abeyance.

The following recommendation was tabled to Council:

That the Executive Mayoral Committee recommends to Council:

- (a) that Council takes notice of the status quo report on Informal Traders.
- (b) that the type of facilities for the upgrading and the new site be further investigated and an item be tabled to Council for consideration.
- (c) that Council grants approval that the vacant municipal building, situated on erf 372 / 175, Stasieweg, Prince Alfred's Hamlet be utilised as an economic hub.
- (d) that the matter in respect of the area situated at Voortrekker Street, Ceres, erf 1055, adjacent to the Traffic Department, be held in abeyance.

**RESOLVED**

- (a) *that Council takes notice of the status quo report on Informal Traders.*
- (b) *that the type of facilities for the upgrading and the new site be further investigated and an item be tabled to Council for consideration.*
- (c) *that Council grants approval that the vacant municipal building, situated on erf 372 / 175, Stasieweg, Prince Alfred's Hamlet be utilised as an economic hub.*
- (d) *that the matter in respect of the allocation of land for informal traders be held in abeyance until the next meeting.*

**8.4      Direktoraat Korporatiewe Dienste / Directorate Corporate Services**

**8.4.1    Substitution of purchaser's name and sale of portion of erf 6236, Ceres  
(15/4/1/1/61 & 7/1/4/2)**

The following items refer:

- (a)      Item 7.4.3 of the Executive Mayoral Committee meeting, held on 22 March 2017.
- (b)      Item 3.2 of the Executive Mayoral Committee meeting, held on 26 September 2017.
- (c)      Item 7.4.1 of the Executive Mayoral Committee meeting, held on 23 October 2017.
- (d)      Item 8.4.1 of the council meeting, held on 25 October 2017.
- (e)      Item 7.4.1 of the Executive Mayoral Committee meeting, held on 1 December 2017.

A report from the Legal Advisor, dated 8 March 2017, is attached as **annexure 8.4.1(a)**.

The Executive Mayoral Committee resolved on 22 March 2017:

- (a)      that the matter in respect of the substitution of the purchaser's name and sale of a portion of erf 6236, Ceres be held in abeyance.
- (b)      that an in loco inspection be held by the Municipal Manager, Executive Mayor and Mayoral Committee at erf 6236, Ceres.

The Municipal Manager reported at the Executive Mayoral Committee meeting of 26 September 2017 that an in loco inspection at erf 6236, Ceres is no longer necessary. The owner removed the gate and Council granted approval for the encroachment of the building lines. Access for pedestrians is not a problem.

The Executive Mayoral Committee resolved on 26 September 2017 that notice be taken that the in loco inspection at erf 6236, Ceres is no longer necessary and that all municipal regulations have been adhered to.

The Executive Mayoral Committee resolved on 23 October 2017 that the matter in respect of the substitution of the purchaser's name and sale of a portion of erf 6236, Ceres be held in abeyance until the next meeting.

Council resolved on 25 October 2017 that the matter in respect of the substitution of the purchaser's name and sale of a portion of erf 6236, Ceres be held in abeyance and referred to the Executive Mayoral Committee for a recommendation to Council.

A diagram of the relevant erven is attached as **annexure 8.4.1(b)**.

The Executive Mayoral Committee resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (a) that the municipal line as per the approved subdivision and diagram, annexure 7.4.1(b), be alienated to the owners of adjacent erf 6235 for the amount of R20 209-86.
- (b) that the process be advertised for public inputs.
- (c) that in the case of no objections received, the Municipal Manager be authorised to sign the transfer.
- (d) that all costs be for the owner of erf 6235, Ceres.
- (e) that the Town Planning Section of the municipality notifies the owner of erf 6235, Ceres that no more encroachment and unlawful usage and occupation of municipal land will be allowed and that they must rectify any breach with the said department within 14 days.

The following recommendation was tabled to Council:

That the Executive Mayoral Committee recommends to Council:

- (a) that the municipal line as per the approved subdivision and diagram, annexure 8.4.1(b), be alienated to the owners of adjacent erf 6235 for the amount of R20 209-86.
- (b) that the process be advertised for public inputs.
- (c) that in the case of no objections received, the Municipal Manager be authorised to sign the transfer.
- (d) that all costs be for the owner of erf 6235, Ceres.
- (e) that the Town Planning Section of the municipality notifies the owner of erf 6235, Ceres that no more encroachment and unlawful usage and occupation of municipal land will be allowed and that they must rectify any breach with the said department within 14 days.

**RESOLVED**

- (a) *that the municipal line as per the approved subdivision and diagram, annexure 8.4.1(b), be alienated to the owners of adjacent erf 6235 at a market related price.*
- (b) *that the process be advertised for public inputs.*
- (c) *that in the case of no objections received, the Municipal Manager be authorised to sign the transfer.*
- (d) *that all costs be for the owner of erf 6235, Ceres.*

- (e) *that the Town Planning Section of the municipality notifies the owner of erf 6235, Ceres that no more encroachment and unlawful usage and occupation of municipal land will be allowed and that they must rectify any breach with the said department within 14 days.*

**8.4.2 Request to purchase erf 3605, Ceres or a portion thereof  
(7/1/4/2)**

The following items refer:

- (a) Item 7.4.3 of the Executive Mayor and Mayoral Committee meeting, held on 26 September 2017.
- (b) Item 8.4.3 of the council meeting, held on 27 September 2017.
- (c) Item 7.4.4 of the Executive Mayoral Committee meeting, held on 23 October 2017.
- (d) Item 8.4.4 of the council meeting, held on 25 October 2017.
- (e) Item 7.4.2 of the Executive Mayoral Committee meeting, held on 1 December 2017.

A memorandum from the Municipal Manager, dated 18 September 2017, is attached as **annexure 8.4.2**.

The Executive Mayoral Committee resolved on 26 September 2017 that the matter regarding the request to purchase erf 3605, Ceres or a portion thereof be held in abeyance.

Council unanimously resolved on 27 September 2017 that the matter regarding the request to purchase erf 3605, Ceres or a portion thereof be held in abeyance.

The Executive Mayoral Committee resolved on 23 October 2017 that the matter in respect of the request to purchase erf 3605, Ceres or a portion thereof, be held in abeyance until the next meeting.

Council resolved on 25 October 2017 that the matter in respect of the request to purchase erf 3605, Ceres or a portion thereof, be held in abeyance and referred to the Executive Mayoral Committee for a recommendation to Council.

The Executive Mayoral Committee resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

that the matter in respect of the request to purchase erf 3605, Ceres or a portion thereof be held in abeyance.

**RESOLVED**

*that the matter in respect of the request to purchase erf 3605, Ceres or a portion thereof be held in abeyance until the next meeting.*

**8.4.3 Request to amend By-Law on Liquor Trading Hours and Days  
(1/1/1)**

The following items refer:

- (a) Item 7.4.5 of the Executive Mayoral Committee meeting, held on 23 October 2017.
- (b) Item 8.4.5 of the council meeting, held on 25 October 2017.
- (c) Item 7.4.3 of the Executive Mayoral Committee meeting, held on 1 December 2017.

A memorandum from the Legal Advisor, dated 12 October 2017, is attached as **annexure 8.4.3**.

The Executive Mayoral Committee resolved on 23 October 2017 that the matter in respect of the request to amend the By-law on Liquor Trading Hours and Days be held in abeyance until the next meeting.

Council resolved on 25 October 2017 that the matter in respect of the request to amend the By-law on Liquor Trading Hours and Days be held in abeyance and referred to the next Executive Mayoral Committee meeting for a recommendation to Council.

The Executive Mayoral Committee resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

that the request received from Tulbagh Spar to amend the By-Law on Liquor Trading Hours and Days not be approved.

**UNANIMOUSLY RESOLVED**

*that the request received from Tulbagh Spar to amend the By-Law on Liquor Trading Hours and Days not be approved.*

**8.4.4 Developing tourism route(s)  
(10/1/4)**

The following items refer:

- (a) Item 7.2 of the meeting of the Committee for Local Economic Development and Tourism, held on 18 October 2017, refers.
- (b) Item 7.4.6 of the Executive Mayoral Committee meeting, held on 23 October 2017.
- (c) Item 8.4.6 of the council meeting, held on 25 October 2017.
- (d) Item 7.4.4 of the Executive Mayoral Committee meeting, held on 1 December 2017.

The following report from the Municipal Manager, dated 13 October 2017, refers:



#### "Purpose

To recommend to the Executive Mayoral Committee to establish a Tourism Route/s and embark on a process to achieve same by appointing a Service Provider to assist the municipality with such route.

#### Background

Council resolution 6.1 of 29 March 2017 has reference. A presentation was made on the advantages of Tourism Route development, the process of same and the role players involved. In the Integrated Development Framework of the Western Cape it is stated that *the identification and marketing of routes is common practice in tourism destinations worldwide, and based on the idea that a group of products providing diversity of experience is more attractive than the individual components. Routes guide travellers along carefully constructed experiences creating a sense journeying rather than merely travelling.* The main purpose of travelling routes is to introduce tourists to certain areas. The increased flow of people in turn creates opportunities to involve communities in offering products and services suited to the character of the route.

#### Deliberation

The Witzenberg Spatial Development Framework acknowledges the potential of scenic and Tourism Route/s. It also provides guidelines for the development in cultural landscapes and scenic routes. A copy of an extract from the Spatial Development Framework is attached as **annexure 8.4.4**. The development and marketing of such Tourism Route/s requires assistance from expertise from within the tourism sector. Extensive market research, through public participation will have to be done.

The municipality does not have in-house expertise and will have to appoint a Service Provider to assist in the development of this Tourism Route/s.

#### Legal implications

The Tourism Act of 2014 does not specifically cater for the development or registration of tourism routes. This will however be intricately link to the Provincial Integrated Tourism Strategy. The development of Tourism Route/s will have to meet the requirements of other legislation for instance the National Roads Act. The Municipal Council will also have to approve of the Tourism Route/s after the public participation process.

#### Financial implication

No budget has been provided for in the 2017/18 financial year. Internal funds will have to be shifted and other donor funding will be applied for to the Cape Winelands District Municipality as well as the Provincial Department. If Council approves the project then any shortfall will have to be provided for in an adjustment budget. Any Service Provider will be appointed in terms of Council's Supply Chain process."

The Committee for Local Economic Development and Tourism resolved on 18 October 2017:

To recommend to the Executive Mayoral Committee and Council:

that Council in order to establish tourism route/s embark on a public private process to achieve same by appointing a service provider to assist the municipality with such route/s.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

that Council in order to establish tourism route/s embark on a public private process to achieve same by appointing a service provider to assist the municipality with such route/s.

The Executive Mayoral Committee resolved on 23 October 2017 that the matter in respect of tourism in Witzenberg be held in abeyance until the next meeting.

Council resolved on 25 October 2017 that the matter in respect of tourism in Witzenberg be held in abeyance and referred to the next Executive Mayoral Committee meeting for a recommendation to Council.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

that Council in order to establish tourism route/s embark on a public participation process to achieve same by appointing a service provider to assist the municipality with such route/s.

**UNANIMOUSLY RESOLVED**

*that Council in order to establish tourism route/s embark on a public participation process to achieve same by appointing a service provider to assist the municipality with such route/s.*

**8.4.5 Substitution of lessee in lease agreement: Old Busy Bee building: Erf 1567, Tulbagh (7/1/4/1)**

The following items refer:

- (a) Item 7.2 of the meeting of the Committee for Corporate and Financial Services held on 29 June 2017.
- (b) Item 7.2 of the meeting of the Committee for Corporate and Financial Services, held on 17 August 2017.
- (c) Item 3.2 of the meeting of the Committee for Corporate and Financial Services, held on 16 November 2017.
- (d) Item 7.4.5 of the Executive Mayoral Committee meeting, held on 1 December 2017.

A memorandum dated 7 June 2017, received from the Senior Officer Properties, is attached as **annexure 8.4.5**.

The Committee for Corporate and Financial Services resolved on 29 June 2017:

- (a) that the matter pertaining to the Substitution of lessee in lease agreement: Old Busy Bee building: Erf 1567, Tulbagh be held in abeyance until the next Committee meeting.

- (b) that the matter be referred to Senior Management for deliberation to make a recommendation to the Committee.

The Committee for Corporate and Financial Services unanimously resolved 17 August 2017:

- (a) that the matter pertaining to the Substitution of lessee in lease agreement: Old Busy Bee building: Erf 1567, Tulbagh be held in abeyance until the next committee meeting.
- (b) that the matter be referred to Senior Management for deliberation to make a recommendation to the Committee.

The Committee for Corporate and Financial Services resolved on 16 November 2017 to recommend to the Executive Mayoral Committee:

that the matter in respect of the substitution of lessee in the lease agreement Old Busy Bee building, erf 1567, Tulbagh be referred to the Executive Mayoral Committee for resolution and finalisation.

The Executive Mayoral Committee resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (a) that the lease agreement in respect of the Old Busy Bee building in Tulbagh (erf 1567), concluded with the Disabled People of South Africa (DPSA), be cancelled.
- (b) that the Municipal Manager notifies the Disabled People of South Africa (DPSA) to vacate the Old Busy Bee building at erf 1567, Tulbagh.
- (c) that no new lease agreement be concluded with DPSA or Witzenberg Association for Persons with Disabilities (WAPD).
- (d) that the Municipal Manager resubmits the item when the building is empty for consideration by the Executive Mayoral Committee.

**UNANIMOUSLY RESOLVED**

- (a) *that the lease agreement in respect of the Old Busy Bee building in Tulbagh (erf 1567), concluded with the Disabled People of South Africa (DPSA), be cancelled.*
- (b) *that the Municipal Manager notifies the Disabled People of South Africa (DPSA) to vacate the Old Busy Bee building at erf 1567, Tulbagh.*
- (c) *that no new lease agreement be concluded with DPSA or Witzenberg Association for Persons with Disabilities (WAPD).*
- (d) *that the Municipal Manager resubmits the item when the building is empty for consideration by the Executive Mayoral Committee.*

**8.4.6 Council schedule: January and February 2018  
(3/1/2/3)**

Item 7.4.6 of the Executive Mayoral Committee meeting, held on 1 December 2017, refers.

A memorandum from the Manager: Administration, dated 27 November 2017, is attached as **annexure 8.4.6**.

The Executive Mayoral Committee unanimously resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (i) that Council approves the proposed council meeting program for January and February 2018.
- (ii) that the final proposed council meeting program for 2018 be submitted to Council for approval after being synchronised with the SALGA meeting and workshop dates.

**UNANIMOUSLY RESOLVED**

- (i) *that Council approves the proposed council meeting program for January and February 2018.*
- (ii) *that the final proposed council meeting program for 2018 be submitted to Council for approval after being synchronised with the SALGA meeting and workshop dates.*

**8.4.7 Electronic Time and Attendance Policy  
(1/3/1/32)**

The Electronic Time and Attendance Policy is attached as **annexure 8.4.7**.

**UNANIMOUSLY RESOLVED**

- (a) *that notice be taken of the Electronic Time and Attendance Policy.*
- (b) *that the Electronic Time and Attendance Policy be approved and accepted.*

**8.4.8 Subdivision and alienation of a portion of erf 622, Wolseley  
(7/1/4/2)**

Item 8.1.2 of the Executive Mayoral Committee meeting, held on 1 December 2017, refers.

Report from the Municipal Manager, dated 29 November 2017:

"Purpose

To consider the alienation of a portion of erf 622, Wolseley (approximately 2 ha in size) to the Grassroots Group for the purpose of constructing an agri-processing facility as an LED initiative for the Wolseley area.

Deliberation

The Spatial Development Framework as well as the IDP of Council has earmarked Wolseley for industrial development. The national railway line, which runs through Wolseley, is the catalyst for the Special Economic Zone Development project that Council has approved and predominantly the reason why Wolseley is preferred for industrial development. The social statistics also show that poverty within the area is high hence the high unemployment figures and other social ills that is at the order of the day. The Grassroots Group is an agri-processing company that has been supplying local and international markets with quality natural health and lifestyle products for more than 22 years. Their main business is on a farm near Gouda where they are partnering with strategic partners in the dried fruit and health industries. A profile of Universal Orchard, a division of Grassroots, is attached as **annexure 8.4.8(a)**. The Grassroots Group has grown into a market leader in the bulk supply of dried edible health snacks, dried medicinal and herbal botanicals and decorative dried botanicals, which are exported internationally. Grassroots Groups has identified Wolseley as an area where they want to invest. The requirement is land of at least 2 hectares in size where they want to erect a building at the cost of R36 million. The value of the equipment will be approximately R10 million. This facility will provide 120 permanent job opportunities and 180 seasonal opportunities, which will span over a period of ten months from February until December. Of note is that the seasonal opportunities will be over the winter months when the unemployment figures within the municipal area are exceptionally high. This business opportunity will be a joint venture between Grassroots and an international company, who is already a market leader in the biscuit industry. The company has identified a portion of erf 622, Wolseley as the most appropriate site to construct the facility. A copy of an aerial Google map as well as a site plan from Messrs WPP, the town and regional planning consultants of Grassroots, is attached as **annexure 8.4.8(b)**. Grassroots gave an indication that if the projects is approved, they want to start with construction at the end of February 2018 so that the production of the facility can start at the end of September 2018.

Council resolved per council resolution 5.1.2 of 21 August 2017 inter alia:

- (a) that the municipal properties identified, i.e. plot 622, Wolseley and portion 8 of plot 363, Ceres, are not needed for minimum municipal services in terms of Section 14 of the Municipal Finance Management Act (Act 56 of 2003).
- (b) that the two (2) properties supra (c) be transferred for the use and benefit of the Public-Private Partnership.

Before the application for the Public Private Partnership was lodged with National Treasury the latter advised that it is essential for the application that municipal land be part of such application. The above erven identified are not sufficient for the purposes of the special economic zone and agri-port. The acquisition of private land is essential for the project. This project of Grassroots will also time perfectly with the agri-processing and special economic zone concept, because the products to be manufactured, will be destined for the international market.

Council is therefore requested to consider amending council resolution 5.1.2 of 21 August 2017 to allow for a portion of erf 622, Wolseley to be subdivided and alienated to the Grassroots Group.

Legal implication

Regulation 40 of the Municipal Finance Management Act allows for property to be sold at market related prices except when the public interest or the plight of the poor demands otherwise.

In terms of Section 5 of the Municipal Asset Transfer Regulations, a municipality may transfer or dispose of a non-exempted capital asset only after the Accounting Officer has conducted a public participation process to facilitate the determinations a municipal council must make in terms of Section 14(2)(a) and (b) of the Municipal Finance Management Act. This effectively means that Council's intention to alienate must be advertised to obtain public inputs in respect of Council's intention.

Financial implications

If the land is to be sold Council will not only generate income from the direct sale, but will also receive monthly income in respect of services and municipal rates.

Grassroots indicated that they will require 300 kWh electricity, 40 cubic metres of water per day and sewerage to service 300 workers. All the cost for the upgrading will be for the account of Grassroots, if so approved."

The Executive Mayoral Committee resolved on 1 December 2017:

That the Executive Mayoral Committee recommends to Council:

- (a) that Council grants provisional approval to alienate a portion of erf 622, Wolseley (approximately 2 ha in size) to the Grassroots Group for purpose of constructing an agri-processing facility as a Local Economic Development initiative.
- (b) that the Municipal Manager ensures that no problem arises with regard to a Public-Private Partnership resolution taken earlier and to avoid conflict with National Treasury regulations.
- (c) that Council will support the Local Economic Development initiative.

**RESOLVED**

- (a) *that Council grants provisional approval to alienate a portion of erf 622, Wolseley (approximately 2 ha in size) to the Grassroots Group for purpose of constructing an agri-processing facility as a Local Economic Development initiative.*
- (b) *that the Municipal Manager ensures that no problem arises with regard to a Public-Private Partnership resolution taken earlier and to avoid conflict with National Treasury regulations.*
- (c) *that Council will support the Local Economic Development initiative.*
- (d) *that the Municipal Manager submits a detailed report to Council pertaining to what labour will be utilised during the building process, given the amendment decided on the municipal supply chain management process as well as which designated groups will benefit.*

- (e) *that the Executive Mayor be mandated to engage with the developer in terms of the Black Economic Empowerment (BEE) opportunity and report back to Council.*
- (f) *that in terms of Section 14 of the Municipal Finance Management Act (Act 56 of 2000), erf 622, Wolseley is not needed to provide in the minimum level of basic municipal services.*

## **9. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA**

### **9.1 Logistical arrangements: Council recess 2017/2018 (3/1/2/3)**

The following report from the Speaker, dated 5 December 2017, refers:

#### Purpose

To request Council to consider whether Council will go in recess and the period thereof.

#### Deliberation

It has been practice that the Speaker of Council decides on the recess period taken by the Council. In terms of the Structures Act, the Speaker determines the date, time and place of council meetings unless the majority of councillors request otherwise. In the absence of any Council delegation I propose that Council takes recess from 16 December 2017 until 14 January 2018.

#### Recommendation

That Council goes in recess from 16 December 2017 until 14 January 2018."

### **RESOLVED**

- (a) *that Council goes in recess for the Festive Season from 16 December 2017 until 14 January 2018.*
- (b) *that the Speaker be authorised to call a Special Council meeting in case of emergency.*

## **10. FORMAL AND STATUTORY MATTERS**

### **10.1 Feedback on matters of outside bodies (3/R)**

None.

### **NOTED**

**11. QUESTIONS and/or MATTERS RAISED by COUNCILLORS**

**11.1 Ceres golf development  
(3/1/2/2)**

An e-mail message from Alderman JW Schuurman to the Speaker, dated 6 November 2017, is attached as **annexure 11.1**.

**RESOLVED**

*that the matter in respect of the Ceres golf development be held in abeyance until the next meeting.*

**11.2 Council's immovable property: Available land**

On a question raised by Councillor J Phungula the Municipal Manager mentioned that an item will be submitted to Council in respect of all land sold during the last ten (10) years and which land is still available.

**NOTED**

**12. COUNCIL-IN-COMMITTEE**



**MINUTES OF THE EXECUTIVE MAYORAL COMMITTEE MEETING OF THE WITZENBERG MUNICIPALITY, HELD IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, 50 VOORTREKKER STREET, CERES ON MONDAY, 23 OCTOBER 2017 AT 16:00**

**PRESENT**

Councillors

BC Klaasen (Executive Mayor)  
K Adams (Deputy Executive Mayor)  
TE Abrahams  
EM Sidego  
JJ Visagie  
TT Godden (ex officio)

Alderman

HJ Smit

Councillors not on Executive Mayoral Committee

MD Jacobs

Officials

D Nasson (Municipal Manager)  
J Barnard (Director: Technical Services)  
J Krieger (Director: Community Services)  
HJ Kritzing (Director: Finance)  
M Mpeluza (Director: Corporate Services)  
A Raubenheimer (Deputy Director: Finance)  
CG Wessels (Manager: Administration)  
C Titus (Committee Clerk)

**1. OPENING AND WELCOME**

The Executive Mayor welcomed everyone present and requested Councillor T Godden (COPE) to open the meeting with a prayer.

**NOTED**

**2. CONSIDERATION OF APPLICATION FOR LEAVE OF ABSENCE, IF ANY  
(3/1/2/1)**

Apologies for absence from the meeting were received from the Head: Internal Audit and the Manager: IDP.

**RESOLVED**

*that notice be taken of the apologies for absence from the meeting, received from the Head: Internal Audit and the Manager: IDP.*

**3. MINUTES**

**3.1 Approval of minutes  
(3/1/2/3)**

The minutes of the Executive Mayoral Committee meeting, held on 26 September 2017, are attached as **annexure 3.1**.

**RESOLVED**

*that the minutes of the Executive Mayoral Committee meeting, held on 26 September 2017, be approved and signed by the Executive Mayor.*

**4. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED BY EXECUTIVE MAYOR  
(9/1/1)**

None

**NOTED**

**5. INTERVIEWS WITH DELEGATIONS**

None

**NOTED**

**6. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS**

None

**NOTED**

**7. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS**

**7.1 Direkoraat Finansies / Directorate Finance**

**7.1.1 Section 71 monthly report of the Department Finance: July 2017  
(9/1/2/2)**

Item 7.1 of the meeting of the Committee for Corporate and Financial Services, held on 21 September 2017, refers.

The Section 71 monthly report of the Department Finance for July 2017 is attached as **annexure 7.1.1**.

Alderman J.W. Schuurman expressed appreciation for the correct meter readings done.

The Committee for Corporate and Financial Services resolved on 21 September 2017 to recommend to the Executive Mayoral Committee and Council:

that the Committee for Corporate and Financial Services takes notice of the content of the monthly report of the Department Finance for July 2017 and the same be accepted.

**RESOLVED**

*That the Executive Mayoral Committee recommends to Council:*

*that notice be taken of the content of the Section 71 monthly report of the Department Finance for July 2017 and the same be accepted.*

**7.1.2 Monthly reports: Service Delivery and Budget Implementation Plan: July, August and September 2017  
(5/1/5/10)**

The following Service Delivery and Budget Implementation Plan monthly reports are attached:

- (a) July 2017: **Annexure 7.1.2(a)**.
- (b) August 2017: **Annexure 7.1.2(b)**.
- (c) September 2017: **Annexure 7.1.2(c)**.

**RESOLVED**

*That the Executive Mayoral Committee recommends to Council:*

*that notice be taken of the Service Delivery and Budget Implementation Plan monthly reports for July, August and September 2017 and the same be accepted.*

**7.1.3 Property Rates Policy: Amendments  
(5/02/P)**

Item 7.2 of the meeting of the Committee for Corporate and Financial Services, held on 21 September 2017, refers.

The following documents are attached:

- (a) Memorandum from the Director: Finance, dated 13 September 2017: **Annexure 7.1.3(a)**.
- (b) Property Rates Policy: **Annexure 7.1.3(b)**.

The Committee for Corporate and Financial Services resolved on 21 September 2017 to recommend to the Executive Mayoral Committee and Council:

That Section 9.1(b)(i) of the Property Rates Policy be replaced with the following:

Properties owned by not for gain institutions or public benefit organisations and are solely use for the benefit of the institution and or for charitable purposes and performs welfare and humanitarian work as contemplated by part 1 of the ninth Schedule of the Income Tax Act (Act 58 of 1962). Council may grant a rebate of 100 % to social and/or welfare institutions.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

That Section 9.1(b)(i) of the Property Rates Policy be replaced with the following:

Properties owned by not for gain institutions or public benefit organisations and are solely use for the benefit of the institution and or for charitable purposes and performs welfare and humanitarian work as contemplated by part 1 of the ninth Schedule of the Income Tax Act (Act 58 of 1962). Council may grant a rebate of 100 % to social and/or welfare institutions.

**RESOLVED**

*that the matter in respect of amendments to the Property Rates Policy be held in abeyance and all applicable figures be obtained.*

**7.1.4 Cellular Telephone and Data Card Policy: Amendments  
(4/5/P)**

Item 7.3 of the meeting of the Committee for Corporate and Financial Services, held on 21 September 2017, refers.

The following documents are attached:

- (a) Memorandum from the Director: Finance, dated 13 September 2017: **Annexure 7.1.4(a)**.
- (b) Cellular Telephone and Data Card Policy: **Annexure 7.1.4(b)**.

The Committee for Corporate and Financial Services resolved on 21 September 2017 to recommend to the Executive Mayoral Committee and Council:

that the amended Cellular Telephone and Data Card Policy be approved.

**RESOLVED**

*That the Executive Mayoral Committee recommends to Council:*

*that the amended Cellular Telephone and Data Card Policy be approved.*

**7.1.5 Finance: Consideration of Approval of Long Term Loan  
(5/4 & 5/1/1/16)**

Item 7.4 of the meeting of the Committee for Corporate and Financial Services, held on 21 September 2017, refers.

A memorandum from the Director: Finance, dated 16 August 2017 is attached as **annexure 7.1.5**.

The Committee for Corporate and Financial Services resolved on 21 September 2017 to recommend to the Executive Mayoral Committee and Council:

that Council approves the long term loan in terms of Section 46 of the Municipal Finance Management Act to finance Prepaid Meters to the value of R2,5 million and the Vehicle Replacement Programme of R5,79 million.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

that Council approves the long term loan in terms of Section 46 of the Municipal Finance Management Act to finance Prepaid Meters to the value of R2,5 million and the Vehicle Replacement Programme of R5,79 million.

**RESOLVED**

*that the item be removed from the agenda.*

**7.1.6 Supply Chain Management Policy for Infrastructure Procurement  
(8/1/P)**

The following documents are attached:

- (a) Memorandum from the Director: Finance, dated 18 October 2017: **Annexure 7.1.6(a)**.
- (b) MFMA Circular no. 77 from National Treasury: **Annexure 7.1.6(b)**.
- (c) Witzenberg Supply Chain Management Policy: **Annexure 7.1.6(c)**.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

That the Witzenberg Supply Chain Management Policy for Infrastructure be approved and adopted by Council as an addendum to the Witzenberg Supply Chain Management Policy.

**RESOLVED**

*that the matter in respect of the Supply Chain Management Policy for Infrastructure be held in abeyance until the next meeting.*

**7.2      Direktoraat Tegniëse Dienste / Directorate Technical Services**

**7.2.1    Proposed entrance wall: Ceres  
(15/4/P)**

Item 7.1 of the meeting of the Committee for Technical Services, held on 18 October 2017, refers.

The following memorandum, dated 9 October 2017, was received from the Manager: Town Planning and Building Control:

"Purpose

To obtain approval for the erection of a wall at the entrance of town.

The following annexures are attached:

- (a)      Site plan: **Annexure 7.2.1(a)**.
- (b)      Wall detail: **Annexure 7.2.1(b)**.
- (c)      Letter from Department of Transport and Public Works, dated 28 September 2017:  
**Annexure 7.2.1(c)**.
- (d)      E-mail from JM Group: **Annexure 7.2.1(d)**.

Discussion

The proposal is to erect an entrance wall at the Ceres Nature Reserve. The wall will be constructed of brick with stone cladding and stand three metres tall. Aluminium cut out profile of the mountain and lettering displaying the town name Ceres will be affixed on top of the wall.

The wall will be located in the same position as the existing stone wall.

The road (R46) is a proclaimed road and hence the Provincial comment was sought. No objection was offered."

The Committee for Technical Services resolved on 18 October 2017 to recommend to the Executive Mayoral Committee and Council:

that the proposed entrance wall to Ceres town be approved.

**RESOLVED**

*that the Executive Mayoral Committee recommends to Council:*

*that the proposed entrance wall to Ceres town be approved.*

**7.2.2 Signage: Ceres Historic Route  
(15/4/P)**

Item 7.2 of the meeting of the Committee for Technical Services, held on 18 October 2017, refers.

A memorandum from the Manager: Town Planning and Building Control, dated 10 October 2017, is attached as **annexure 7.2.2**.

The Committee for Technical Services resolved on 18 October 2017 to recommend to the Executive Mayoral Committee and Council:

That the Ceres Historic Route signage be approved subject to the following conditions:

- (i) Final position of signage to be confirmed on site in conjunction with the Technical Department.
- (ii) Where signage is to be placed on private property, the land owner's written consent shall be obtained.
- (iii) The design, font and colour of the signs must comply with the Ceres Central Business District Aesthetics Manual.
- (iv) Signage not to obstruct vehicle traffic or pedestrian walkways.
- (v) The Togryers Museum shall be responsible for maintenance of the signage.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

That the Ceres Historic Route signage be approved subject to the following conditions:

- (i) Final position of signage to be confirmed on site in conjunction with the Technical Department.
- (ii) Where signage is to be placed on private property, the land owner's written consent shall be obtained.
- (iii) The design, font and colour of the signs must comply with the Ceres Central Business District Aesthetics Manual.
- (iv) Signage not to obstruct vehicle traffic or pedestrian walkways.
- (v) The Togryers Museum shall be responsible for maintenance of the signage.

**RESOLVED**

*that the Manager of the Ceres Togryers Museum, Ms B Laubscher, makes a presentation in respect of the Ceres Historic Route signage at the next meeting.*



**7.2.3 Installation of sanitation infrastructure: Mendoza Farm, Ceres  
(17/2/2)**

A memorandum from the Manager: Water and Sewerage, dated 19 October 2017, is attached as **annexure 7.2.3**.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (i) that the project for the installation of sanitation infrastructure on the farm Mendoza be approved.
- (ii) that the Department Corporate Services draws up an agreement with the landowner for the installation and maintenance of the sanitation infrastructure.

**RESOLVED**

*that the status quo in respect of the installation of sanitation infrastructure at Mendoza farm, Ceres be maintained pending the outcomes of the discussion between the landowner and the municipality.*

**7.3      Direktoraat Gemeenskapsdienste / Directorate Community Services**

**7.3.1    Relocation of homeless people from trading area at corner of Vos and Pretorius Streets, Ceres  
(17/16/R)**

The following items refer:

- (a)      Item 7.3.2 of the Executive Mayoral Committee meeting, held on 26 September 2017.
- (b)      Item 8.3.2 of the council meeting, held on 27 September 2017.

The following report, dated 14 September 2017, was received from the Municipal Manager:

“1.      Purpose

To request the Executive Mayoral Committee to consider the relocation of the homeless people, who is currently occupying the trading area at the corner of Vos and Pretorius Streets (opposite Shoprite Ceres).

2.      Background

The Witzenberg Municipality resolved on 10 March 2009 under item 9.2 to enter into a lease agreement with The Haven Night Shelter for a period of 10 years. Before the conclusion of the lease agreement the building was known as the *Nagskuiling*, the management of which was overseen by unpaid volunteers. The management at that time decided that The Haven was best equipped to ensure a sustainable management of the programme to reintegrate the homeless people back into society and further to reunite them with their various families. The idea found favour with Council hence the decision to conclude a rental agreement with The Haven. Over the years there were numerous complaints of homeless people not being accommodated at The Haven. Some of the allegations levelled against The Haven were that they catered for people outside of Witzenberg, are demanding too much money and are too strict in discipline. Numerous meetings, over time were conducted with The Haven in an attempt to resolve the problems highlighted by the homeless community. Despite concessions by The Haven it became apparent that some of the homeless people did not want to adhere to the rules of the shelter and instead resorted to either sleep in the main road, the mountains and on the stoeps of certain buildings. The situation deteriorated to such an extent that the municipality was forced to intervene and, as a temporary solution allowed the homeless people to sleep at the facility used by informal traders at the corner of Vos and Pretorius Streets.

3.      Deliberation

Community organisations were called on to assist the municipality with a strategy to reintegrate the homeless people into the community as well as reuniting them with their families. There has been an agreement that the current location does not lend itself to a permanent solution and instead makes it easier for homeless people to fall into a comfort zone.

Complaints have also been received by the informal traders that the presence of the homeless people is affecting their business. Morrisdale Primary School has also raised their concern because of the prevailing conditions and further that it is exposing the youth to unacceptable behaviour and unsavoury characters. The parents of the learners have also signed a petition requesting the municipality to relocate the homeless people.

The business section has given an indication that they will contribute towards the payment of an honorarium for a person who can work with the homeless people, especially motivating them to improve their lifestyle and assisting them to foster a better relationship with the Haven. The Haven is also part of the consulting organisations and has committed themselves to integrating and rebuilding of the homeless person. It emanated from the discussions, which included the homeless people, that they prefer to be as near as possible to the business centre.

The municipality unfortunately has no available property for this purpose. The piece of land marked "X" on **annexure 7.3.1(a)** is regarded as most suited for the relocation mainly because of the following reasons:

1. The property is not too far away from the business corridor.
2. The property is at the back of the Haven. The idea is that some of the Haven's facilities can also be used to the advantage of the homeless people.
3. The same rules of the Haven will not be applicable to those sleeping at the property. The idea was to move one of the steel structures (frame of store) to the property. The municipality still has old corrugated sheets for the roof section. The accommodation will be very much informal.
4. That the Social Workers of both the municipality and The Haven will have easier access to focus on the homeless people.

It needs to be noted that the Uniting Reformed Church has indicated their opposition to this relocation. A letter from the church, dated 10 May 2017, is attached as **annexure 7.3.1(b)**. The latter church was invited to be part of the discussion around the homeless people and has failed to participate. Some of the staff members of The Haven are also objecting despite the support and buy-in of their Provincial CEO who is very much in favour of such an initiative.

4. Legal implications

The property is still registered in the name of the Republic of South Africa and a formal process will be started to have the property transferred into the name of Witzenberg Municipality.

5. Financial implications

No provision was made for any such structure in the budget. The relocation cost will have to be calculated and tabled to Council for possible inclusion in the adjustment budget. The idea was to keep the cost minimal hence the use of old material and municipal labour."

The Executive Mayoral Committee resolved on 26 September 2017 that the matter regarding the relocation of homeless people from the trading area at the corner of Vos and Pretorius Streets, Ceres be held in abeyance.

Council unanimously resolved on 27 September 2017 that the matter regarding the relocation of homeless people from the trading area at the corner of Vos and Pretorius Streets, Ceres be held in abeyance.

**RESOLVED**

*that the matter in respect of the relocation of homeless people from the trading area at the corner of Vos and Pretorius Streets, Ceres be dealt with at the IDP meeting with all the relevant role players.*

**7.3.2 Instandhouding van speelparktoerusting  
(17/09/2)**

Item 8.1 van die vergadering van die Komitee vir Gemeenskapsontwikkeling, gehou op 21 September 2017, verwys.

'n Memorandum vanaf die Direkteur: Gemeenskapsdienste, gedateer 11 September 2017, word ingebind as **bylae 7.3.2**.

Die Voorsitter versoek dat die aangeleentheid met betrekking tot die instandhouding van speelparktoerusting in Witzenberg geneem word na alle wyke en gedryf word deur Wyksraadslede en Wykskomitees om die gemeenskappe in te lig om eienaarskap te neem van speeltoerusting.

Die Komitee stel voor dat die Jeugstruktuur en Jeugfokuspunte van gebruik gemaak word om met innoverende idees na vore te kom met die doel om vandalisme by alle speelparktoerusting aan te spreek.

Die Komitee vir Gemeenskapsontwikkeling het op 21 September 2017 eenparig besluit:

Om by die Uitvoerende Burgemeesterskomitee en Raad aan te beveel:

- (a) dat kennis geneem word van die inhoud van die verslag.
- (b) dat weggedoen word met die swaai en liefs gefokus word op glyplanke en klimrame wat nie so maklik gevandaliseer word of waar gedeeltes maklik weggedra kan word nie.
- (c) dat waar bestaande swaai gevandaliseer is, dit van die parke verwyder word en indien nie-winsgewende organisasies / crèches / skole skriftelik sou navraag doen oor skenkings in die verband; dit dan in "as is" toestand geskenk word.
- (d) dat waar ander beskadigde toerusting ekonomies herstel kan word, dit herstel of andersins verwyder word.
- (e) dat indien rondomtalies in die toekoms aangekoop sou word dit die tipe sal wees sonder die horisontale hout trapvlakke en dat huidige rondomtalies wat 'n gevaar inhou, verwyder word.
- (f) dat kennisgewings " gebruik van toerusting is op eie risiko " laat maak en opgerig word by elke parkie waar speelparkapparate geïnstalleer is.

- (g) dat 'n Publieke Deelname Proses gevolg word in alle wyke en die proses gedryf word deur Wyksraadslede in samewerking met die Wykskomitees rakende die Raad se intensie vir enige insette.
- (h) dat die Jeug Struktuur en Jeugfokuspunte 'n sensus opname doen in alle Wyke om innoverende idees te verkry as 'n teenvoeter vir die vandalisering van speelparktoerusting.

Die volgende aanbeveling is aan die Uitvoerende Burgemeesterskomitee voorgelê:

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (a) dat kennis geneem word van die inhoud van die verslag.
- (b) dat weggedoen word met die swaai en liefs gefokus word op glyplanke en klimrame wat nie so maklik gevandaliseer word of waar gedeeltes maklik weggedra kan word nie.
- (c) dat waar bestaande swaai gevandaliseer is, dit van die parke verwyder word en indien nie-winsgewende organisasies / crèches / skole skriftelik sou navraag doen oor skenkings in dié verband; dit dan in "as is" toestand geskenk word.
- (d) dat waar ander beskadigde toerusting ekonomies herstel kan word, dit herstel of andersins verwyder word.
- (e) dat indien rondomtalies in die toekoms aangekoop sou word, dit die tipe sal wees sonder die horisontale hout trapvlakke en dat huidige rondomtalies wat 'n gevaar inhou, verwyder word.
- (f) dat kennisgewings "gebruik van toerusting is op eie risiko" laat maak en opgerig word by elke parkie waar speelpark-apparate geïnstalleer is.
- (g) dat 'n Publieke Deelname Proses gevolg word in alle wyke en die proses gedryf word deur wyksraadslede in samewerking met die wykskomitees rakende die Raad se intensie vir enige insette.
- (h) dat die Jeugstruktuur en Jeugfokuspunte 'n sensusopname doen in alle wyke om innoverende idees te verkry as 'n teenvoeter vir die vandalisering van speelparktoerusting.

## **BESLUIT**

*dat die aangeleentheid rakende die instandhouding van speelparktoerusting ontstaan tot die eerskomende vergadering.*

**7.3.3 Supporting LED project by leasing unregistered erf 740, Op-die-Berg to JJ & Son Honey Bee Business (Pty) Ltd  
(17/19/1 & 07/1/4/1)**

Item 7.1 of the meeting of the Committee for Local Economic Development and Tourism, held on 18 October 2017, refers.

A memorandum from the Legal Advisor, dated 26 September 2017, is attached as **annexure 7.3.3**.

The Committee for Local Economic Development and Tourism resolved on 18 October 2017:

To recommend to the Executive Mayoral Committee and Council:

- (a) that the project for extracting honey as a Local Economic Development project be supported.
- (b) that property 740, Op-die-Berg be made available to a co-op to be established as revered to as in supra (a).
- (c) that the lease agreement be concluded with the co-op to be established and that Mr Jantjies be the representative of such co-op.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (a) that the project for extracting honey as a Local Economic Development project be supported.
- (b) that property 740, Op-die-Berg be made available to a co-op to be established as revered to as in supra (a).
- (c) that the lease agreement be concluded with the co-op to be established and that Mr Jantjies be the representative of such co-op.

**RESOLVED**

*that the matter in respect of supporting an LED project by leasing unregistered erf 740, Op-die-Berg to JJ & Son Honey Bee Business (Pty) Ltd be held in abeyance, awaiting the establishment of a co-op after which the matter will be tabled again to the Executive Mayoral Committee.*

**7.4 Direkoraat Korporatiewe Dienste / Directorate Corporate Services**

**7.4.1 Substitution of purchaser's name and sale of portion of erf 6236, Ceres (15/4/1/1/61 & 7/1/4/2)**

The following items refer:

- (a) Item 7.4.3 of the Executive Mayoral Committee meeting, held on 22 March 2017.
- (b) Item 3.2 of the Executive Mayoral Committee meeting, held on 26 September 2017.

A report from the Legal Advisor, dated 8 March 2017, is attached as **annexure 7.4.1**.

The Executive Mayoral Committee resolved on 22 March 2017:

- (a) that the matter in respect of the substitution of the purchaser's name and sale of a portion of erf 6236, Ceres be held in abeyance.
- (b) that an in loco inspection be held by the Municipal Manager, Executive Mayor and Mayoral Committee at erf 6236, Ceres.

The Municipal Manager reported at the Executive Mayoral Committee meeting of 26 September 2017 that an in loco inspection at erf 6236, Ceres is no longer necessary. The owner removed the gate and Council granted approval for the encroachment of the building lines. Access for pedestrians is not a problem.

The Executive Mayoral Committee resolved on 26 September 2017 that notice be taken that the in loco inspection at erf 6236, Ceres is no longer necessary and that all municipal regulations have been adhered to.

**RESOLVED**

*that the matter in respect of the substitution of the purchaser's name and sale of a portion of erf 6236, Ceres be held in abeyance until the next meeting.*

**7.4.2 Selling of Erf 2536, Kluitjieskraal to the Old Apostolic Church (07/1/4/2)**

Item 7.5 of the meeting of the Committee for Corporate and Financial Services, held on 21 September 2017, refers.

A memorandum from the Legal Advisor, dated 4 September 2017, is attached as **annexure 7.4.2**.

The Committee for Corporate and Financial Services resolved on 21 September 2017 to recommend to the Executive Mayor and Mayoral Committee and Council:

- (a) that erf 2536, Kluitjieskraal, Wolseley is not needed in terms of Section 14 of the Municipal Financial Management Act to provide in minimum level of basic municipal services.

- (b) that the erf supra (a) be alienated at the fair market related value.
- (c) that the Municipal Manager be authorised to sign all necessary documents on behalf of Council in order to effect the sale.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (a) that erf 2536, Kluitjieskraal, Wolseley is not needed in terms of Section 14 of the Municipal Financial Management Act to provide in minimum level of basic municipal services.
- (b) that the erf supra (a) be alienated at the fair market related value.
- (c) that the Municipal Manager be authorised to sign all necessary documents on behalf of Council in order to effect the sale.

#### **RESOLVED**

*That the Executive Mayoral Committee recommends to Council:*

- (a) *that erf 2536, Kluitjieskraal, Wolseley is not needed in terms of Section 14 of the Municipal Financial Management Act to provide in minimum level of basic municipal services.*
- (b) *that in the interest of the community the erf supra (a) be alienated at the nominal price of R1 000-00.*
- (c) *that the Municipal Manager be authorised to sign all necessary documents on behalf of Council in order to effect the sale.*

#### **7.4.3 Restructuring of Ceres Tourism Office (10/2/R)**

The following items refer:

- (a) Item 7.4.2 of the Executive Mayoral Committee meeting, held on 26 September 2017.
- (b) Item 8.4.2 of the council meeting, held on 27 September 2017.

The following memorandum, dated 20 September 2017, was received from the Municipal Manager:

“1. Purpose

To consider the report dealing with the restructuring of the Ceres Tourism Office.

2. Deliberation

The following reports were received from Ceres Tourism:

- (i) Restructuring of Ceres Tourism Office: **Annexure 7.4.3(a).**
- (ii) Job description of the new Destination Officer: **Annexure 7.4.3(b)."**



The Executive Mayoral Committee resolved on 26 September 2017 that the matter regarding the restructuring of the Ceres Tourism Office be held in abeyance.

Council unanimously resolved on 27 September 2017 that the matter regarding the restructuring of the Ceres Tourism Office be held in abeyance.

**RESOLVED**

*that the item be removed from the agenda.*

**7.4.4 Request to purchase erf 3605, Ceres or a portion thereof  
(7/1/4/2)**

The following items refer:

- (a) Item 7.4.3 of the Executive Mayor and Mayoral Committee meeting, held on 26 September 2017.
- (b) Item 8.4.3 of the council meeting, held on 27 September 2017.

A memorandum from the Municipal Manager, dated 18 September 2017, is attached as **annexure 7.4.4**.

The Executive Mayoral Committee resolved on 26 September 2017 that the matter regarding the request to purchase erf 3605, Ceres or a portion thereof be held in abeyance.

Council unanimously resolved on 27 September 2017 that the matter regarding the request to purchase erf 3605, Ceres or a portion thereof be held in abeyance.

**RESOLVED**

*that the matter in respect of the request to purchase erf 3605, Ceres or a portion thereof, be held in abeyance until the next meeting.*

**7.4.5 Request to amend By-Law on Liquor Trading Hours and Days  
(1/1/1)**

A memorandum from the Legal Advisor, dated 12 October 2017, is attached as **annexure 7.4.5**.

**RESOLVED**

*that the matter in respect of the request to amend the By-law on Liquor Trading Hours and Days be held in abeyance until the next meeting.*

#### 7.4.6 Tourism in Witzenberg (10/1/4)

Item 7.2 of the meeting of the Committee for Local Economic Development and Tourism, held on 18 October 2017, refers.

The following report from the Municipal Manager, dated 13 October 2017, refers:

##### Purpose

To recommend to the Executive Mayoral Committee to establish a Tourism Route/s and embark on a process to achieve same by appointing a Service Provider to assist the municipality with such route.

##### Background

Council resolution 6.1 of 29 March 2017 has reference. A presentation was made on the advantages of Tourism Route development, the process of same and the role players involved. In the Integrated Development Framework of the Western Cape it is stated that **“the identification and marketing of routes is common practice in tourism destinations worldwide, and based on the idea that a group of products providing diversity of experience is more attractive than the individual components. Routes guide travellers along carefully constructed experiences creating a sense journeying rather than merely travelling.** The main purpose of travelling routes is to introduce tourists to certain areas. The increased flow of people in turn creates opportunities to involve communities in offering products and services suited to the character of the route.

##### Deliberation

The Witzenberg Spatial Development Framework acknowledges the potential of scenic and Tourism Route/s. It also provides guidelines for the development in cultural landscapes and scenic routes. A copy of an extract from the Spatial Development Framework is attached as **annexure 7.4.6**. The development and marketing of such Tourism Route/s requires assistance from expertise from within the tourism sector. Extensive market research, through public participation will have to be done. The municipality does not have in-house expertise and will have to appoint a Service Provider to assist in the development of this Tourism Route/s.

##### Legal implications

The Tourism Act of 2014 does not specifically cater for the development or registration of tourism routes. This will however be intricately link to the Provincial Integrated Tourism Strategy. The development of Tourism Route/s will have to meet the requirements of other legislation for instance the National Roads Act. The Municipal Council will also have to approve of the Tourism Route/s after the public participation process.

##### Financial implication

No budget has been provided for in the 2017/18 financial year. Internal funds will have to be shifted and other donor funding will be applied for to the Cape Winelands District Municipality as well as the Provincial Department. If Council approves the project then any shortfall will have to be provided for in an adjustment budget. Any Service Provider will be appointed in terms of Council's Supply Chain process.”

The Committee for Local Economic Development and Tourism resolved on 18 October 2017:

To recommend to the Executive Mayoral Committee and Council:

that Council in order to establish tourism route/s embark on a public private process to achieve same by appointing a service provider to assist the municipality with such route/s.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

that Council in order to establish tourism route/s embarks on a public private process to achieve same by appointing a service provider to assist the municipality with such route/s.

**RESOLVED**

*that the matter in respect of tourism in Witzenberg be held in abeyance until the next meeting.*

**8. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA**

None

**NOTED**

**9. FORMAL AND STATUTORY MATTERS**

None

**NOTED**

**10. EXECUTIVE MAYOR AND MAYORAL COMMITTEE-IN-COMMITTEE**

**MINUTES OF THE MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OF WITZENBERG MUNICIPALITY HELD IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, 50 VOORTREKKER STREET, CERES ON THURSDAY, 26 OCTOBER 2017 AT 10h00.**

**PRESENT**

**Councillors**

M Jacobs (Chairperson)  
C Lottering  
G Laban  
P Heradien

**Officials**

Mr H Kritzinger (Director: Finance)  
Mr G Louw (Head: Internal Audit)  
Mr C Wessels (Manager: Administration)  
Mr. C Titus (Committee Clerk)

**1. OPENING AND WELCOME**

The Chairperson welcomed everyone present and requested thereafter Councillor C. Lottering to open the meeting with a prayer.

**NOTED**

**2. CONSIDERATION OF APPLICATION FOR LEAVE OF ABSENCE, IF ANY  
(3/1/2/1)**

Application for leave of absence from the meeting was received from Alderman J.W. Schuurman.

Apologies for leave of absence from the meeting were received from the Municipal Manager and Manager: Performance and Projects.

**RESOLVED**

- (a) *that the application for leave of absence from the meeting received from Alderman J.W. Schuurman be approved and accepted.*
- (b) *that notice be taken of the leave of absence from the meeting received from the Municipal Manager and the Manager: Performance and Projects.*

**3. MINUTES**

**3.1 Approval of minutes  
(03/1/2/3)**

The following minutes of the Municipal Public Accounts Committee are attached:

- |     |                               |                         |
|-----|-------------------------------|-------------------------|
| (a) | Meeting held on 22 March 2017 | <b>Annexure 3.1(a).</b> |
| (b) | Meeting held on 26 May 2017   | <b>Annexure 3.1(b).</b> |

**RESOLVED**

*that the following minutes of the meetings of the Municipal Public Accounts be approved and signed by the Chairperson.*

- |     |                                      |
|-----|--------------------------------------|
| (a) | <i>Meeting held on 22 March 2017</i> |
| (b) | <i>Meeting held on 26 May 2017</i>   |

**3.2 Matters from the minutes**

None

**NOTED**

**4. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED BY THE CHAIRPERSON**

- (a) Chairperson requested that all members of the Committee participate in the meeting as find necessary at all time.
- (b) Chairperson announced that he was elected as the Deputy-Chairperson of the Municipal Public Accounts Committee of the Western Cape.
- (c) Chairperson mentioned that he attended as Deputy-Chairperson supra (b) the National Association of Municipal Accounts Committee (NAMPAC) in Johannesburg.
- (d) Chairperson requested that Municipal Public Accounts Committee meetings be regularly attended by committee members in order to ensure that meetings are not postponed.
- (e) Councillor G. Laban (Witzenberg Aksie) congratulated the Chairperson on his election as Deputy-Chairperson of the Western Cape.
- (f) Councillor G. Laban enquired with regard to the whereabouts of the reflection of legal costs of the municipality.

Chief Financial Officer mentioned that legal costs are part of the budget. The municipality use the legal expert on the topic / case and therefore a deviation on the normal supply chain process is followed. The transfer of properties are recorded in the agendas.

**5. INTERVIEWS WITH DELEGATIONS**

None

**NOTED**

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**6. DELEGATED POWERS**

None

**NOTED**

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**7. RESERVED POWERS**

**7.1 Quarterly report of Mayor on implementation of budget and state of affairs of municipality / SDBIP: Section 52(d) (9/1/2/2)**

The Quarterly Budget Statement (Section 52) Report for the period 1 April 2017 to 30 June 2017, received from the Director: Finance, is attached as **annexure 7.1**.

The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP [MFMA s17(3)(b)]. The accounting officer must include these objectives in the annual report and report on performance accordingly.

Frequency: Quarterly

Councillor P. Heradien attended from 11h05.

The Municipal Public Accounts Committee discussed the Quarterly report of the Executive Mayor with regard to the SDBIP Section 52(d) report. The following was highlighted:

- TL8 and TL9 in respect of unaccounted water and electricity losses: Regularly meetings are held between the Directorates Finance and Technical Services to discuss find solutions towards the matter.
- TL15 in respect of number of subsidised electricity connections installed: Attention is given to the matter.
- TL17 in respect of percentage of people from employment equity groups employed in the three highest levels of management: The municipality missed the performance target with only 3 %. It is a difficult target to achieve.
- TL20 in respect of outstanding service debtors: This is a difficult KPI to achieve. Currently there is plans to write off debt. Indigent people use water above the norm and their electricity cannot be cut as a method of disciplinary action. This problem need to be addressed.

Furthermore properties cannot be auctioned and the controls of who is really indigent must be refined in order to ensure that the facts are correct.

- TL29 in respect of customer satisfaction survey of community facilities: The municipality spend lots of monies on municipal facilities but still a lot of complaints are received from the communities.

Councillor C. Lottering:

- Debtors need to be informed repeatedly of their responsibility towards the municipality therefore the current modus operandi / method of the municipality with regard to the recovery of debt need to be reconsidered.
- Seasonal workers receiving indigent must inform the municipality when they start working again.

Councillor G. Laban:

- Ward Councillors, as the extension between the municipality and the communities, must inform the wards regarding the recovery of outstanding debt in order to find solutions for the problem.

The Director: Finance mentioned that the Credit Control Policy contains guidelines in respect of debt recovery and that a pamphlet will be distributed in the communities again. Furthermore that arrangements to pay off debt can be done.

The Chairperson expressed concern with regard to the relevancy of Key Performance Indicator targets being achieved. For example how effective is the implementation of the Indigent Policy in terms of children who stay with their parents.

Councillor P. Heradien was of the opinion that the Indigent Policy is not applied effectively. Information provided at council meetings are also not confirmed afterwards for example that the land on which the Nduli School was built was not transferred from the municipality to the Western Cape Education Department.

## **RESOLVED**

- (a) *that the Municipal Public Accounts Committee takes notice of the various challenges facing the municipality.*
- (b) *To recommend to the Executive Mayoral Committee and Council:*
  - (i) *that the Municipal Public Accounts Committee takes notice of the Quarterly SDBIP Section 52(d) report of the Executive Mayor on implementation of budget and state of affairs of the municipality and accept it.*
  - (ii) *that the current modus operandi / methods to recover the outstanding municipal debt be re-thought and considered by Council.*
  - (iii) *that ward councillors inform the communities in the wards in respect of outstanding municipal debt and find solutions for the problem.*

**7.2 Mid-year budget and performance assessment: Financial year 2016/2017: Section 72 (9/1/1; 5/1/1/15 & 5/1/5/9)**

None

**NOTED**

**7.3 Performance, Risk and Audit Committee: 2<sup>nd</sup> Bi-Annual Report on Performance Management: 2016/2017 (5/14/4)**

Legislative framework

In terms of the Local Government Municipal Planning and Performance Management Regulations, 14(4)(a), “ A performance audit committee must –

- (i) review the quarterly reports submitted to it in terms of sub-regulation (1) (c) (ii);
- (ii) review the municipality’s performance management system and make recommendations in this regard to the council of the municipality; and
- (iii) at least twice during a financial year submit an audit report to the municipal council concerned.”

The Second Bi-Annual Report of the Performance, Risk and Audit Committee to Council on Performance Management for 2016/2017 is attached as **annexure 7.3**.

**RESOLVED**

*that the Second Bi-Annual Report on Performance Management for 2016/2017 be noted and accepted.*

**7.4 Draft Annual Report: 2016/2017 (9/1/1)**

The Draft Annual Report for 2016/2017, submitted to the AGSA, is attached as **annexure 7.4**.

Purpose

The purpose of this report is to table the Draft Annual Report for 2016/2017 to the Municipal Public Accounts Committee for cognisance and in anticipation of the Final Draft Annual Report to be tabled for MPAC assessment during December 2017/January 2018.

Legislature framework

The MFMA section 129(1) states that:

“The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council’s comments on the annual report, which must include a statement whether the council—



- (a) has approved the annual report with or without reservations;
- (b) has rejected the annual report; or
- (c) has referred the annual report back for revision of those components that can be revised.”

**RESOLVED**

*that notice be taken of the Draft Annual Report for 2016/2017.*

**8. ADJOURNMENT**

The next meeting of the Municipal Public Accounts Committee will be held in the Council Chambers, Municipal Offices, 50 Voortrekker Street, Ceres on 23 November 2017 at 10h00.

The meeting adjourned at 12h15.

Approved on \_\_\_\_\_

---

**COUNCILLOR M JACOBS**  
**CHAIRPERSON**

/wr

**MINUTES OF THE PERFORMANCE, RISK AND AUDIT COMMITTEE MEETING OF WITZENBERG MUNICIPALITY, HELD IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, 50 VOORTREKKER STREET, CERES ON WEDNESDAY, 22 NOVEMBER 2017 AT 09:00**

**PRESENT**

Performance, Risk and Audit Committee

Mr J George (Chairperson)  
Mr J Basson (Deputy Chairperson)  
Mr T Lesihla  
Mr S Redelinghuys

Officials

Mr D Nasson (Municipal Manager)  
Mr HJ Kritzingen (Director: Finance)  
Mr A Raubenheimer (Deputy Director: Finance)  
Mr G Louw (Head: Internal Audit)  
Mr JH Swanepoel (Manager: Projects and Performance)  
Mr CG Wessels (Manager: Administration)  
Ms S Hendricks (Senior Internal Auditor)

Other representatives

Mr Z Gungabele (AGSA)  
Mr N Mlindazwe  
Ms J Williams (AGSA)

**1. OPENING AND WELCOME**

The Chairperson, Mr J George, welcomed everyone present.

**NOTED**

**2. CONSIDERATION OF APPLICATIONS FOR LEAVE OF ABSENCE, IF ANY  
(3/1/2/1)**

An application for leave of absence from the meeting was received from Mr A Amod.

**RESOLVED**

*that the Performance, Risk and Audit Committee takes notice of the application for leave of absence from the meeting, received from Mr A Amod, and accepts the same.*

**3. ATTENDANCE REGISTER, CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION**

The Attendance register, Confidentiality and Conflict of Interest Declaration was signed by all attendees.

**NOTED**

**4. MINUTES**

**4.1 Approval of minutes  
(3/1/2/3)**

The minutes of the Performance, Risk and Audit Committee meeting, held on 8 September 2017, are attached as **annexure 4.1**.

**UNANIMOUSLY RESOLVED**

*That the minutes of the Performance, Risk and Audit Committee meeting, held on 8 September 2017, be approved and signed by the Chairperson.*

**4.2 PRAC resolutions register and matters arising from previous minutes  
(5/14/4)**

- Status of the implementation of PRAC resolutions
- Feedback to PRAC regarding resolutions referred to Council.

The PRAC resolutions register, dated 15 November 2017, is attached as **annexure 4.2**.

Item 4.2.2

- (a) Mr T Lesihla reported that the meeting in respect of the Information and Communication Technology (ICT) Risk Assessment with the Director: Corporate Services will be arranged. A report will be submitted before the next meeting.

The Performance, Risk and Audit Committee requested that the Head: Internal Audit changes the status of the matter from “completed” to “working progress”.

Item 4.3

that the reading be corrected to read:

“That the Director: Finance submits a report in terms of the implementation of External Audit Findings (OPCAR) Report.....”

(b) Item 6.4.1

The Director: Finance reported on debt and indigent debt. The Performance, Risk and Audit Committee is of the opinion that R53 million can be written off. The Municipal Manager explained that the check with Transunion pertaining to indigent lifestyle debt is to establish whether indigencees have debt relating to DStv, luxuries etc. in order to request Council to amend the Indigent Policy. Check is to ensure that people are really indigencees.

**RESOLVED**

- (a) *that the Director: Corporate Services and Mr Tsepo Lesihla will meet and discuss the Information and Communication Technology (ICT) Risk Assessment and submit a report at the next Performance, Risk and Audit Committee meeting.*
- (b) *that the Performance, Risk and Audit Committee takes notice of the PRAC resolutions register and that the same be accepted.*

**5. PRESENTATIONS**

None

**NOTED**

**6. PERFORMANCE MANAGEMENT**

**6.1 Quarterly Budget Statement [Section 52(d)] Report: 1 July 2017 to 30 September 2017 (9/1/2/2)**

The Quarterly Budget Statement [Section 52(d)] Report for the period 1 July 2017 to 30 September 2017 is attached as **annexure 6.1**.

The Quarterly Budget Statement [Section 52(d)] Report was tabled and the following matters were highlighted:

- that the in-year budget statement tabled, wrongly refers to 30 September 2016 and should read 30 September 2017.
- that the Department Finance consults whether the budgeted figures can be adjusted for current reporting or only at the adjustment process, taking into consideration the risk of incorrect reporting for December 2017.
- the Municipal Manager requested that due to the errors with budgeted figures, the report be updated and re-tabled to Council and the Performance, Risk and Audit Committee.

**RESOLVED**

*that the matter in respect of the Quarterly Budget Statement [Section 52(d)] Report for the period 1 July 2017 to 30 September 2017 be held in abeyance until the next meeting.*

**7. RISK MANAGEMENT**

**7.1 Risk Management Report: 1<sup>st</sup> Quarter 2017/2018  
(5/14/2)**

The Risk Management Report for the first quarter of 2017/2018, dated September 2017, is attached as **annexure 7.1**.

The Head: Internal Audit submitted the Risk Management Report for the first quarter of 2017/2018 and the following matters were highlighted:

- The main topics are ESKOM and solid waste.
- Only by 2022 an upgrade in electricity. Council undertook to have no new developments due to the problem. Will consider applications on individual basis.
- Drought and land invasion will be on next report as a priority.
- Influx of people to Witzenberg area due to opportunities in the agricultural sections. Cause increase in theft, drugs etc.
- Every Tuesday IT Risk Assessment meetings between Head: Internal Audit, Director: Corporate Services and IT Administrator.
- The Performance, Risk and Audit Committee requested that Mr Tsepo Lesihla will provide feedback to PRAC pertaining to IT Risk Assessment, but will play only an oversight role.

**RESOLVED**

- (a) *that Mr Tsepo Lesihla will play an oversight role with regard to IT Risk Assessment matters and provide feedback to the Performance, Risk and Audit Committee.*
- (b) *that the Performance, Risk and Audit Committee takes cognisance of the Risk Management Report for the first quarter of 2017/2018 and accepts the same.*

---

**8. AUDIT AND FINANCIAL MANAGEMENT**

**8.1 Section 71 monthly reports of the Department Finance: July, August and September 2017  
(9/1/2/2)**

The following Section 71 monthly reports of the Department Finance are attached:

- (a) July 2017 **Annexure 8.1(a).**
- (b) August 2017 **Annexure 8.1(b).**
- (c) September 2017 **Annexure 8.1(c).**

The Director: Finance submitted the Section 71 monthly reports of the Department Finance for July, August and September 2017. The following were highlighted:

- That the Director: Finance will provide feedback pertaining faulty meters at the next meeting.
- The Performance, Risk and Audit Committee requested that deviations be adequately motivated.
- The Municipal Manager reported that appeals are dealt with.

- Increase in employee debt due to the appointment of new employees.

**RESOLVED**

(a) *that the Director: Finance provides feedback pertaining to faulty meters at the next Performance, Risk and Audit Committee meeting.*

(b) *That the Performance, Risk and Audit Committee recommends to the Executive Mayoral Committee and Council:*

*that notice be taken of the Section 71 monthly reports of the Department Finance for July, August and September 2017 and the same be accepted.*

**8.2 Annual Financial Statements 2016/2017 – after COMAF's (5/3/1)**

The Municipal Finance Management Act (no. 56 of 2003) Section 166(2)(b) states that:

“(2) An audit committee is an independent advisory body which must –

(b) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.”

The following documents are attached:

- (a) The Annual Financial Statement for 2016/2017 (after COMAF's): **Annexure 8.2(a).**  
(b) Financial ratio analysis: 2016/2017: **Annexure 8.2(b).**

**RESOLVED**

(a) *that the Performance, Risk and Audit Committee takes notice of the Annual Financial Statement for 2016/2017 (after COMAF's) and accepts the same.*

(b) *that the final Audit Report and Annual Financial Statements 2016/2017 be tabled at the next Performance, Risk and Audit Committee meeting.*

**8.3 AGSA Audit Report: 2016/2017 (5/14/1/14)**

The AGSA Audit Report for 2016/2017 is attached as **annexure 8.3.**

**RESOLVED**

*that the Performance, Risk and Audit Committee takes notice of the AGSA Audit Report for 2016/2017 and accepts the same.*

**8.4 Draft report of Performance, Risk and Audit Committee as at 30 June 2017 (annexure to Annual Report 2016/2017)  
(5/14/4)**

The draft report of the Performance, Risk and Audit Committee as at 30 June 2017 is attached as **annexure 8.4**.

The following recommendation was tabled to the Performance, Risk and Audit Committee:

that the Performance, Risk and Audit Committee finalise the Performance, Risk and Audit Committee report and submit the signed report to the Municipal Manager for attachment to the final Annual Report 2016/2017.

**RESOLVED**

*that the matter in respect of the draft report of the Performance, Risk and Audit Committee as at 30 June 2017 be held in abeyance until the next meeting.*

**9. NEXT MEETING  
(03/1/2/3)**

The next meeting of the Performance, Risk and Audit Committee will be held in the Council Chambers, Municipal Offices, 50 Voortrekker Street, Ceres on Monday, 15 January 2018 at 09:00.

**NOTED**

**10. ADJOURNMENT**

The meeting adjourned at 12:45.

Approved on \_\_\_\_\_ with / without amendments.

---

**J GEORGE  
CHAIRPERSON**

*/MJ Prins*



# 2016 - 2017

## ANNUAL REPORT



A municipality that cares  
for its community,  
creating growth and  
opportunities.



# ANNUAL REPORT

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## CHAPTER 1 – MAYOR’S FORWARD AND EXECUTIVE SUMMARY

### COMPONENT A: EXECUTIVE MAYOR’S FORWARD

Witzenberg Municipality includes the historical and picturesque towns of Ceres, Wolseley, Tulbagh, Prince Alfred’s Hamlet and Op-Die-Berg. Nestled in the valley of fertility, our municipality is well known globally for its agrarian backdrop, rich wines, delicious fruit juices, Riedans and niche tourism.

This Annual Report, in my respectful opinion, presents a fair assessment of the activities and state of affairs of the Municipality for the 2016/17 financial year. I want to express my sincere gratitude to the Speaker, Deputy Executive Mayor, members of the Executive Mayoral Committee, Chairperson of MPAC and all Councillors for their concerted effort to make Witzenberg a better place and commitment to serve our community and different constituencies to the best of their ability. We have achieved our fifth consecutive clean audit from the Auditor General of South Africa. The report however highlights the material impairments of receivables from exchange and non-exchange transactions to the value of R183.8 million. The recoverability of municipal debt is of major concern to Council and a special task team will be appointed to make recommendations to Council on how to address this immense problem. One of our major achievements and highlight of the financial year was the redemption of the Koekedouw Dam loan which has been an Achilles’ heel of the Municipality for a number of years. This has, however proven to be a very wise decision and is one of the reasons why the broader Ceres and Hamlet area, despite the low rainfall and drought will avert a day zero situation for this area during the summer season. The outlook for Tulbagh is still gloomy and mostly as a result of the Department of Water Affairs inability to sign off on the project despite the Gazetting and approval by National Treasury of the funding of the construction of a new dam over a three year period. Despite the challenges the Municipality remains committed to the provision of quality water to all its citizens on the same standard and conditions, and for which it has received many accolades, for the years to come. We have completed 200 newly constructed low cost houses in Bella Vista which will make a major impact on the growing housing backlog in Witzenberg. Vredebes development still poses certain challenges in terms of infrastructure and contributions for bulk infrastructure must be obtained from our Provincial and National counterparts to ensure the success thereof. The Vredebes development will be the first integrated housing development and will be bigger than all of the current housing of the various towns.

Certain areas within our Municipal area were subjected to severe drought conditions which necessitated the declaration of a local state of disaster. I am particularly proud of our officials for their meticulous planning and dedication to ensure that the Municipality complied with its constitutional mandate to provide water to its citizens. I am also extremely grateful for the assistance of the various Western Cape Departments especially the Department of Local Government and Treasury for their financial assistance to our Municipality in this regard.

The slow progress of the Witzenberg Agri Park, has been a disappointment and I trust and believe that in the new financial year we will see significant changes that will impact much more positively on the lives of the previously disadvantaged communities. The Agricultural sector, which is the largest employment sector within our area, has experienced major challenges within the financial year impacting negatively on our local economy. This has led to major work losses and people being unemployed. The forecast for the new year is equally gloomy and bleak and will be a challenge to deal with. The Eskom infrastructure that feeds electricity to our area is still under pressure and has compel the Municipality to place a moratorium on all new development. The indication is that Eskom will most probably only attend to the upgrade during the years 2020 or 2021.

We have continued to align our budget with our key performance areas and objectives as set out in our IDP namely:

1. Developing Integrated and Sustainable Human Settlements.
2. Financial Sustainability

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3. Good Governance and Institutional Development
4. Local Economic Development
5. Social Development
6. Strategic Partnerships and International Relationships

The relationship with both the Business and Agri-sector is still strong and will continue to grow within the next couple of years. The formal Business sector through CBI is still committed to support Small Businesses from the previously disadvantaged community and will continue with the Entrepreneur Development programme. The Witzenberg Municipality remains very much dependent on the Agri industry and will continue to find means of broadening our income stream.

## *Twinning Agreement between Essen and Witzenberg Municipality*

The Municipality will continue to strengthen its relationship with the Essen Gemeente Belgium. The focus area of the Twinning Agreement remains Environmental Management and Youth Development.

## *Extended Public Works Programme*

The Witzenberg Municipality is still the beneficiary of a grant to roll out an EPW Project. The Projects are mostly focusing on environmental management and has contributed tremendously to the cleanliness of our towns. A substantial number of unemployed were given employment which we believe also had an impact on our Indigent database.

## *Green Energy*

The Municipality is still focused on implementing projects that will focus on Green Energy. The draft Energy By-law has not been finalised and will be submitted to Council in the new financial year to stimulate further development and projects in the Green Energy field.

## *Conclusion*

In conclusion, Witzenberg Municipality faces the future with optimism. I would like to take this opportunity to thank and acknowledge all for their commitment, focus and perseverance to develop our home into a flourishing hub for tourism, business development and agricultural expansion. It gives me great pride to serve Witzenberg as Executive Mayor and I welcome the challenges to come as I know that we will overcome them together.



**BARNITO KLAASEN**  
**EXECUTIVE MAYOR WITZENBERG**



## COMPONENT B: EXECUTIVE SUMMARY








### 1.1 MUNICIPAL MANAGER'S OVERVIEW

#### **Report of the Accounting Officer (Municipal Manager) in terms of Section 121 of the Local Government: Municipal Finance Management Act No 56 of 2003 (the MFMA).**

The Municipal Finance Management Act (herein after referred to as the MFMA) requires of the Accounting Officer to do an assessment of any arrears on Municipal taxes and service charges as well as the Municipality's performance against the measureable performance objects referred to in Section 17 (3)b of the said Act. The latter assessment is dealt with in Chapter 5.1 of the Annual Report.

#### 1) Arrears assessment

The Auditor General of South Africa has, in its report on the 2016/2017 financial statements of the Municipal Council, emphasised the material impairment of R129Million on receivables from exchange transactions. As required by the MFMA my assessment of the arrears on municipal taxes and service charges as at 30 June 2017 is as set out below:

-  the gross outstanding service debtors in total increased with 14.8% in relation to the 2015/2016 financial year.
-  the leading contributors to the outstanding debt are water at 33.3% and sanitation and refuse at 31.6%.
-  the effective implementation of the Credit Control Policy in areas where Eskom is a supplier of electricity is playing a major role in the escalation of the service debtors. Council has approved that prepaid water meters be installed in these areas which will assist in the recouping of the service charges.
-  the majority of households are working in the Agri sector which has been adversely affected by drought.
-  the Municipality will continue to exercise all legal avenues to collect its outstanding debt.
-  concerted efforts are therefore being made, inter alia through our service provider to recover debts older than 90 days which constitutes 69.7% of total outstanding debt.
-  The Executive Mayor will be recommending to Council to appoint a special task team to assist with the debt recovery solution.

Credit control measures are progressively tightened up, e.g. service provider to perform disconnection on defaulters.

#### 2) Revenue Collection

The municipality's performance for revenue collection increased from at 94.0% to 95.6% from 2015/2016 to 2016/2017 financial years. We are mindful that the Municipality's financial sustainability is dependent on its ability to optimally collect the budgeted revenue. For this reason additional capacity was created within the financial department as well as the appointment of an external service provider. The impact of actions taken will hopefully yield the necessary results within the forthcoming months.

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## 3) Material Losses / Impairments

### Electricity

There was an increase in the electricity losses including technical and non-technical losses. The total loss for the financial year was 10.03% compared to the loss of 8.19% in the previous financial year. The electricity losses are mainly the result of ageing infrastructure and theft of electricity in certain areas within the Municipality. The upgrade of the electrical infrastructure will continue in the new financial year which will hopefully lead to a further decrease in electricity losses. As part of Council's on-going programme to cut down on energy losses the following corrective measures will be undertaken:

- 🔧 conducting an audit of all bulk meters in Municipal area
- 🔧 replacing conventional pre-paid meters with split meters
- 🔧 updating GIS data to monitor electrical distribution
- 🔧 regular special operations to clamp down on electricity theft.

### Water Service

The calculated water loss is 19.36%. This is significantly higher than the 15.8% that was recorded in the 2015/2016 financial year. The technical department is robust and vigorously busy improving the effectiveness of water provision by:

- 🔧 installing water meters at unmetered communal taps
- 🔧 replacing and repairing bulk meters
- 🔧 installing data loggers at strategic sites
- 🔧 collecting and calculating monthly data
- 🔧 replacing badly leaking/eroded pipes on a program within certain areas.

## 4) Incidents of Theft / Fraud / Gross Negligence

No incidents of fraud or gross negligence were reported.

## 5) General and Closing Comments

The maintenance of municipal infrastructure remains a major challenge for the municipality. The poor state of our roads, in some of our municipal, and our inability to rehabilitate same is still a major concern. The economic challenges of our Municipal financial resources and effective management of municipal labour will be crucial for Council to overcome the tough economic challenges. I would further like to take this opportunity to thank our Executive Mayor and Political leadership as well as our Directors and other colleagues for their continuous hard work and effort to lift the bar of Good Governance and Service Delivery.

DAVID NASSON

MUNICIPAL MANAGER



## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report addresses the performance of Witzenberg Municipality, Western Cape with respect to their core legislative obligations. Local government has an obligation to create the participatory framework that defines and enhances the relationship between elected leaders and communities. This requires that the Council of the municipality provides regular and predictable reporting concerning performance programmes and the general state of affairs in their locality.

The 2016/17 Annual Report reflects the performance of Witzenberg Municipality for the period 1 July 2016 to 30 June 2017. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual Report for each financial year.





### 1.2.1 Vision and Mission

#### Our Vision




A municipality that cares for its community, creating growth and opportunities.

#### Our Mission

Witzenberg Municipality is committed to improve the quality of life for the community by:

-  Providing and maintaining affordable services.
-  Promoting social and economic development
-  The effective and efficient use of available resources
-  Effective stakeholder and community participation

#### Value system

-  Driven by the aspirations of our community, we will respect and uphold the Constitution of the Republic of South Africa.
-  We commit ourselves to the Code of Conduct for Councillors and Officials in terms of the Municipal Systems Act.
-  We commit ourselves to the principles of sound financial management.

### 1.2.2 Demographic Information

#### Municipal geographical information

Witzenberg Local Municipality (LM) was founded in 2000 and is classified as a Category B municipality and is responsible for basic service provision in the demarcated municipal area that includes the towns of Ceres, Tulbagh, Prince Alfred's Hamlet, Wolseley and Op-die-Berg. The rural areas within the municipal boundary are Ceres Valley, Koue Bokkeveld, Achter-Witzenberg and the northern portion of Breede River Valley (Land van Waveren).

The climate in Witzenberg is known for hot and dry weather during summer. Winds are seasonal and generally North-westerly or South-easterly. The average annual rainfall in Ceres is about 1 088 mm and the average temperature ranges from 2.4°C to 29.9°C.

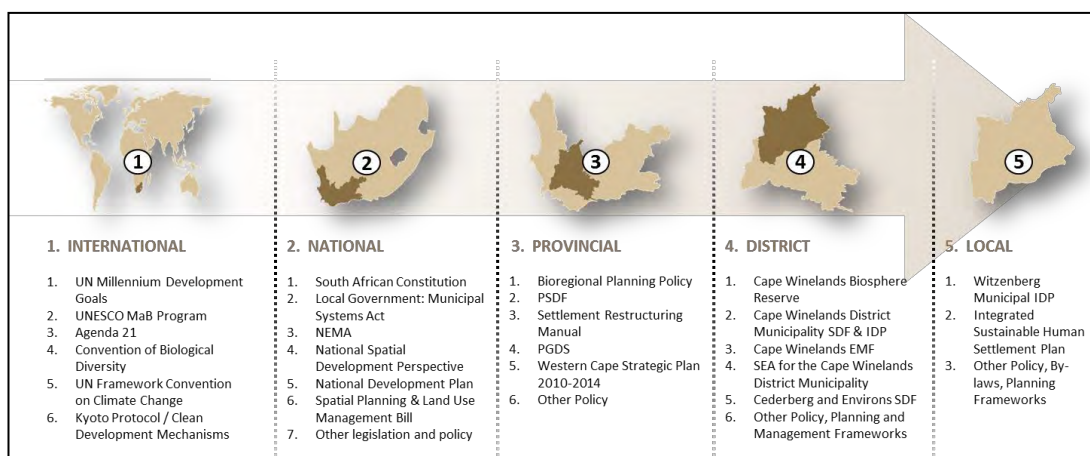
Located in the picturesque and fertile Breede Valley, Witzenberg is renowned for export quality fruit and wine products. The region is also well-known for producing other agronomical products such as olives and grain, and meat products such as beef and pork. Horse and cattle stud farms are also found within the municipal area.



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- 🍷 The principal socio-economic realities in our region are:
- 🍷 Seasonal labour and social grant dependency
- 🍷 Unemployment rate: 5 339 people
- 🍷 People in poverty: 24 231
- 🍷 Skills shortage (Illiteracy rate): 36%
- 🍷 Youthful population: 56.8% of population is under 30 years of age
- 🍷 Population concentration: 46.9% Rural; 53.1% Urban

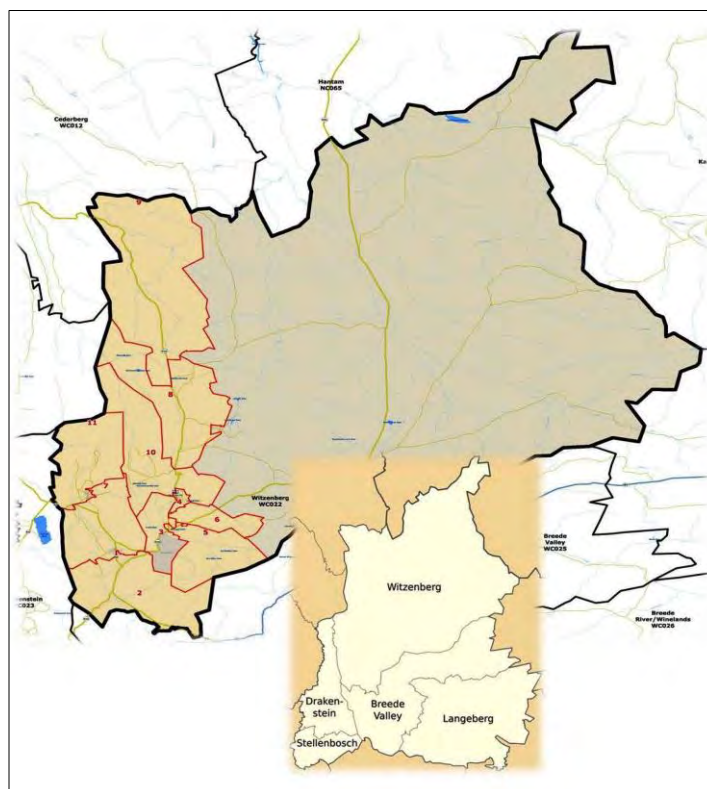
The two largest sector contributors to the GDP are agriculture (35.6%) and the manufacturing sector (20.9%), growing at an average of 2.1% and 10.6% respectively per annum. Within the manufacturing sector, the food/beverage sub-sector is clearly dominant, representing 69.4% of total manufacture.



*Witzenberg Municipality in geographical context.*

Witzenberg LM comprises an area of 10 753 km<sup>2</sup>, and is situated about 150 kilometers North-East of Cape Town. The region is surrounded by three mountain ranges: the Obiqua Mountains to the west, the Winterhoek Mountains to the north and the Witzenberg range to the east. These mountain ranges often receive significant winter snowfall. Witzenberg's natural surroundings are characterized by endemic fauna and flora, forest wilderness and includes the catchment areas of three river systems.

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*Location of Witzenberg Municipality in the Cape Winelands District.*

From a spatial perspective, some of the challenges facing the various areas of the municipality are:  
Op-die-Berg and the Koue Bokkeveld: Limited space for human settlement expansion due to bio-physical conditions and the competition for land for various social and agricultural needs.

- 🍷 Prince Alfred Hamlet: A low overall density of development, with definite bio-physical constraints to expansion such as the need to protect biodiversity resources.
- 🍷 Ceres: Main administrative centre with largest industrial developments. Low density development with limited opportunities for diversification.
- 🍷 N'Duli: The scarcity of land to address social needs, and conflict with surrounding agricultural uses.
- 🍷 Wolseley: Situated alongside major road- and rail transport corridors with the main focus on industrial development. Located on a watershed complicates the provision of services, and the wetland area is unsuitable for development.
- 🍷 Tulbagh: Historical town with focus on tourism development and heritage conservation.
- 🍷 Bella Vista: High density development with under-provision of formal business opportunities.

## Wards

The municipality is currently structured into the following 12 wards:

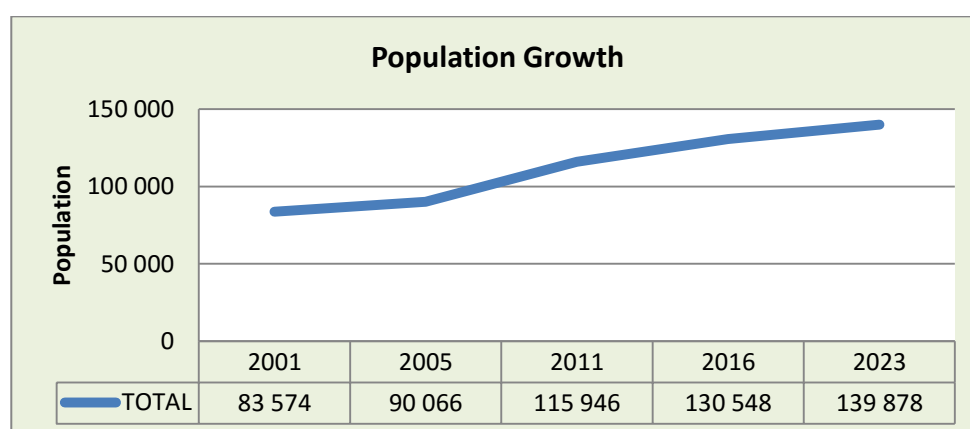
Ward	Areas
1	N'Duli - Polo Cross & Primary School
2	Wolseley - WF Loots, Petra, Bothashalt, La Plaisante
3	Ceres - Primary School, Stadsaal, Fairfield School
4	Prince Alfred's Hamlet - Town Hall, Bella Vista High School, Ceres Aartappels

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Ward	Areas
5	Ceres Valleï Church Hall, Achtertuin Primary school
6	Bella Vista - URC Hall & Community Hall
7	Tulbagh - Community Hall. Wolseley - Primary & Secondary School
8	Op-die-Berg, Koue Bokkeveld - Môrester, Bronaar, Rocklands.
9	Tandfontein, Wydekloof, Voorsorg, Kromfontein
10	Phase 4 Hamlet, Agter Witzenberg, Koelfontein.
11	Tulbagh - Town Hall & werkestoer, De Agen, Twee Jonge Gezellen.
12	N'Duli - Polo Cross & Primary School

## 1.2.3 Population

The 2016 Community Survey is published annually by Provincial Treasury in their Socio-Economic Profile, and it estimates the population of Witzenberg at 130 548 with 35 976 households. The table below gives an indication of the increase in population since 2001.



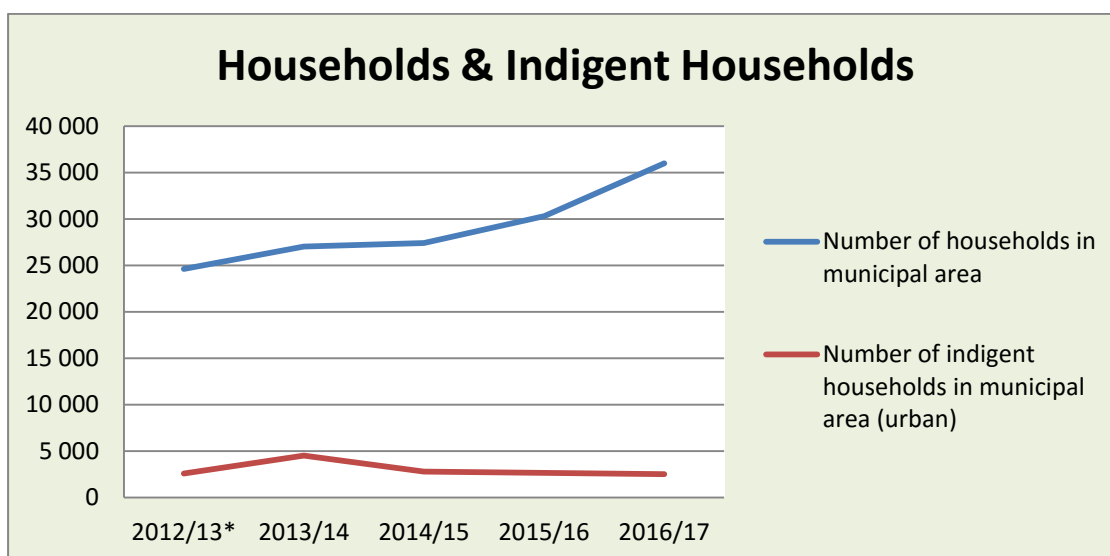
Note: 2001 – Census, 2005 – estimate, 2011 – Census, 2015 – SEP-LG Profile & 2020 SEP-LG Profile estimate.

## 1.2.4 Households

There are 35 976 households in the municipality, with an average household size of 3.6 persons per household. (*Socio-Economic Profile 2016*)

The total number of households within the municipal area increased from 27 419 (2014/15) to 35 976 (2016/17) and the indigent households decreased from 2 810 (2014/15) to 2 521 (2016/17).

Households	2012/13*	2013/14	2014/15	2015/16	2016/17
Number of households in municipal area	24 600	27 039	27 419	30 305	35 976
Number of indigent households in municipal area (urban)	2 599	4 515	2 810	2 673	2 521
Percentage of indigent households in municipal area (urban)	10.57%	16.70%	10.25%	8.82%	7%
*Statistics South Africa: Census 2011					



The following table shows the overall population within the specific area (Census 2011):

Area	Population
Witzenberg NU	52 200
Op-die-Berg	1 530
Meulstroom	1 083
Tulbagh	8 969
Prince Alfred Hamlet	6 809
Bella Vista	13 460
Ceres	10 412
N'Duli	9 350
Wolseley	1 528
Pine Valley	4 341
Montana	6 263
<b>Total</b>	<b>115 946</b>

## 1.2.5 Key Economic Activities

Economic growth at municipal level is essential for the attainment of economic development, the reduction of poverty and improved accessibility. Fostering this growth requires an in-depth understanding of the economic landscape within which each respective municipality operates.

Witzenberg contributes R6.108 billion (or 13.8%) of the Districts total R44.16 billion GDP as recorded in 2015. GDP growth averaged 5.3 % per annum over the period 2005-2015. This is significantly above the District average of 3.5 %. Average annual growth of 4.2 % in the post-recessionary period remained above the District average of 2.8%.

Witzenberg employed 16.7% (62 594) of the Cape Winelands District's labour force during 2015, and employment growth was moderate, averaging 1.6 % per annum since 2005, which was below the overall

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district employment growth rate of 1.9 % per annum. Employment growth has nevertheless picked up significantly in the post-recessionary period (2010-2015) averaging 3.9 % per annum (which is now above the district's rate of 2.9 % over the period 2010 –2015).

Key Economic Activities	Description
Agriculture	Fruit production (deciduous fruit), Vegetable production
Manufacturing	Fruit packaging and processing
Tourism	Marketing and branding, expo's, lifestyle development, eco-tourism (trout, olives)
Finance	Legal services, Financial services
Trade	Wholesale, Retail, Big export activity

## 1.2.6 Municipal Challenges

The following general challenges are experienced by the municipality:

Challenges	Actions to address
Bulk electricity supply from Eskom. The recent growth in the local agro-economy has resulted in the expansion of agro-processing industries in the rural and built environment. We have reached our notified maximum demand limits by Eskom and this cannot be increased due to the under-capacity of the bulk supply infrastructure managed by them. This has restricted further expansion and Eskom has indicated that an infrastructure upgrade is envisioned for 2021 which will be able to accommodate increased demand. This will severely impact on the region's economic growth	Various deliberations has taken place between the municipality, Eskom, local business and the agricultural sector to address the issue. Discussions with various government departments is underway to obtain funding to upgrade the Eskom bulk infrastructure on a short term basis to address this need up until the upgrade completion in 2021
Waste Management. The operating of the municipal landfill sites and overall management of waste has become a major challenge due to drastically increased maintenance cost of the sites, vandalism, theft and public ignorance on the by-laws. The delay in the establishment of a regional waste site at Worcester also contributes to the uncertainty of strategy to be followed in terms of investment into the current sites or towards a material recovery facility aligned with the regional site	The municipality has started with the development of a long-term strategy for waste management in the municipal area. It is expected that the introduction of waste bins for business premises from October 2017, will influence increased recycling initiatives. A business plan for the establishment of a material recovery facility and drop-off points was developed in collaboration with our twinning municipality, Essen in Belgium. The business plan will be submitted in October 2016 to the Belgium Federal Government for funding consideration.
Drought and water Sources. The Witzenberg area has experienced a severe drought during 2015/16 and has been declared a disaster area by National- and Western Cape Government. The municipal raw water storage dams at Tulbagh and Ceres has reached critically low points during the summer. Strict water restrictions were implemented by Council since October 2015 and various infrastructure projects was funded by the municipality and local/national government. This action plan was implemented to utilise additional water sources and upgrade existing storage infrastructure. Various local landowners in Tulbagh assisted with the provision of	Insufficient capacity of the Tulbagh raw water storage dam remains critical and, although funding for the construction of a new dam was approved by the Department of Water Affairs, the implementation of the project is delayed as DWS has not yet released the funds. Further investigation on the long term capacity of water sources will be done in 2016/17, as part of the revised Water Services Development Plan.

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Challenges	Actions to address
surplus water and storage capacity during the drought.	
Provision of bulk infrastructure for subsidised housing projects. The implementation of the Vredebes housing project, with 2900 residential plots, will need to be phased over a longer period due to the bulk infrastructure required for the occupation of the project. The allocation of the annual Municipal Infrastructure Grant, utilised for bulk infrastructure, is too limited, resulting in bulk water-, sanitation, roads – and storm water infrastructure projects being phased over a longer time period.	The Vredebes project will be phased in over a medium- to long term period to ensure that bulk infrastructure as well as social infrastructure is completed and available when phases are occupied. This will also ensure that grant funding is not completely utilised by the project, but can be maximised for use in other urgent strategic projects.
Maintenance and upgrading of municipal roads. The condition of bituminous pavements (roads) has drastically decreased over the past couple of years in certain areas, due to historically poor construction practices and insufficient funding for road maintenance. The existing backlog amounts to R 80 million, with 36% of these roads located in Tulbagh in a poor to very poor structural condition. Many of these roads have deteriorated to the point that they need to be rebuilt	It is expected that funding for road maintenance will increase from 2017 onwards, as pre-existing debt would have been paid off by the municipality. The road maintenance section was also capacitated by new appointments to increase operational capability.
Debt collection on municipal rates and taxes. The outstanding debt has increased rapidly over the past few years in certain towns due to the inability to implement the debt collection policy. This is especially evident in towns where Eskom supply electricity and the policy cannot be implemented. In certain areas, public hostility has reached fever-pitch and officials are at risk when investigating illegal connections and meter tampering. This is causing a culture of non-payment and apathy towards financial obligations.	The municipality has budgeted for the implementation of water management devices that will limit water flow to supplement the Debt Collection Policy. Water use for humanitarian purposes will still be available, but excessive water usage and non-payment will be addressed.

## 1.3 SERVICE DELIVERY OVERVIEW

The investment in municipal infrastructure has been historically influenced by existing backlogs and this is a consideration for the sustainable service delivery for new developments as well as general upgrading and maintenance. The developmental potential of urban areas plays a major role in guiding infrastructure investment to ensure sustainable service delivery to human settlements. Basic services that include water, sanitation, electricity, refuse, roads and storm water and should be a major focus area for infrastructure budgeting and investment.

Our previous and current investment into services has been well-supported with funding from the Department of Energy (INEP), COGTA (MIG), the Department of Human Settlements (funding for bulk services) and inherent municipal funding. In terms of bulk services, the following challenges are prominent;

- Bulk electrical supply: Eskom cannot supply any additional bulk electricity to Ceres, Tulbagh and Wolseley. We are already exceeding our Notified Maximum Demand in these towns and Eskom can only upgrade their bulk network by 2022. All new developments in Witzenberg are now jeopardised, as Eskom cannot supply additional bulk electrical supply. This is having a major impact on the growth of the economy and intervention at National level is required.
- The drought is having a severe impact on all towns, especially Tulbagh. A new raw water storage dam needs to be constructed at Tulbagh to alleviate the problem. Estimated funding of R29M is

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required to realise this project. DWS approved this funding, but we are still awaiting the release of funds from their coffers.

- Upgrade of bulk roads and storm water, electricity, sewerage and water mains for the new Vredebes development are well underway. These services will ensure sustainable capacity for the development and should be completed within the next 3 years. Upgrade of the new roads, storm water, electrical bulk provision, water and sanitation networks, however remain underfunded and should be capacitated through budget allocation and investment.

## 1.3.1 Basic services delivery highlights

Highlight	Description
Bella Vista – Housing project	Completion of 200 RDP top structures and all engineering services
Streetlights – Op Die Berg & Prince Alfred Hamlet	Installation of 106 LED streetlights
Upgrading of Schoonvlei roads (Industrial area)	Boerneef Street upgraded with funding received from Rural Development.
Purchase of Johnston Sweeper	Vacuum tanker imported from England to sweep and vacuum clean curb sides

## 1.3.2 Basic services delivery challenges

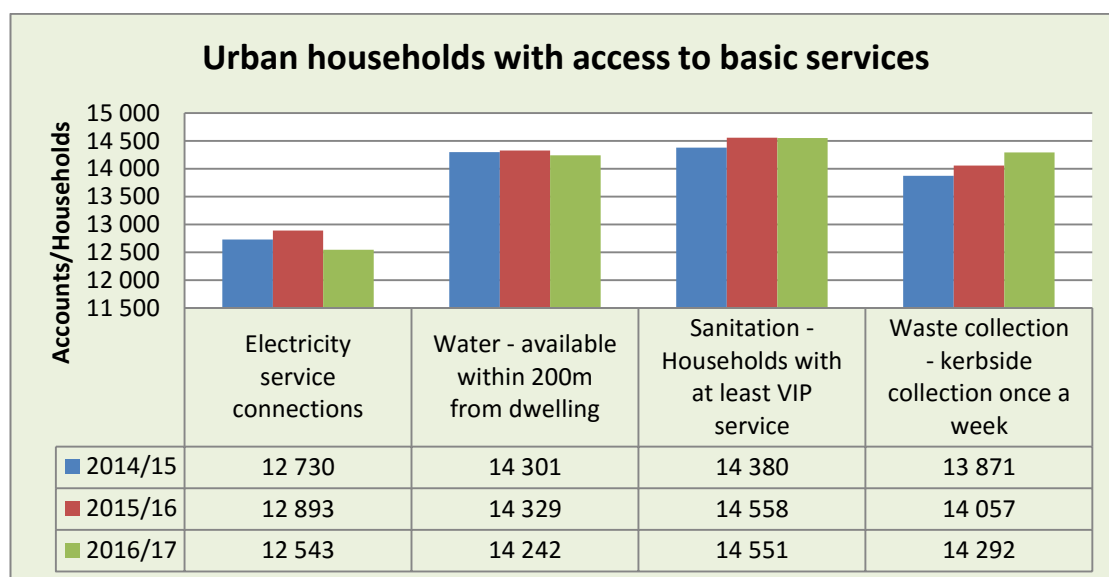
Service Area	Challenge	Actions to address
Water	Severe drought	Implemented water restrictions, obtained grant funding for various drought interventions and obtained funding for the construction of a raw water dam at Tulbagh
Electricity	Eskom unable to increase Notified Maximum Demand	Regular engagements with Eskom to expedite their bulk upgrades. Renewable Energy Policy approved by Council to assist with the demand shortage.

## 1.3.3 Proportion of urban households with access to basic services

The table below indicates the number of urban households with access to a minimum level of basic services:

Description	2014/15	2015/16	2016/17
Electricity - service connections	12 730	12 893	12 543
Water - available within 200m from dwelling	14 301	14 329	14 242
Sanitation - Households with at least VIP service	14 380	14 558	14 551
Waste collection - kerbside collection once a week	13 871	14 057	14 292

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## 1.4 FINANCIAL HEALTH OVERVIEW

### 1.4.1 Financial viability highlights

Highlight	Description
Debt coverage ratio 39.74	The number of times debt payments can be accommodated within operating revenue. This represents the ease with which debt payments can be accommodated by the municipality
Cost coverage ratio 2.4 months	It explains how many months' expenditure can be covered by cash and other cash equivalents available to the municipality

### 1.4.2 Financial viability challenges

Challenge	Action to address
Service debtors to revenue 0.54	A specialised service provider was appointed to collect outstanding debt. The legal process is time consuming. The 2017/18 budget provides for the installation of water management devices which aims to reduce outstanding debt.

### 1.4.3 National key performance indicators – Financial viability (Ratio's)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators, required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area, Municipal Financial Viability and Management

KPA & Indicator	2014/15	2015/16	2016/17	Comments
Debt coverage (Total operating revenue - operating grants received:	28.8 : 1	32.6 : 1	39.7 : 1	This indicator is to determine if the municipality generates

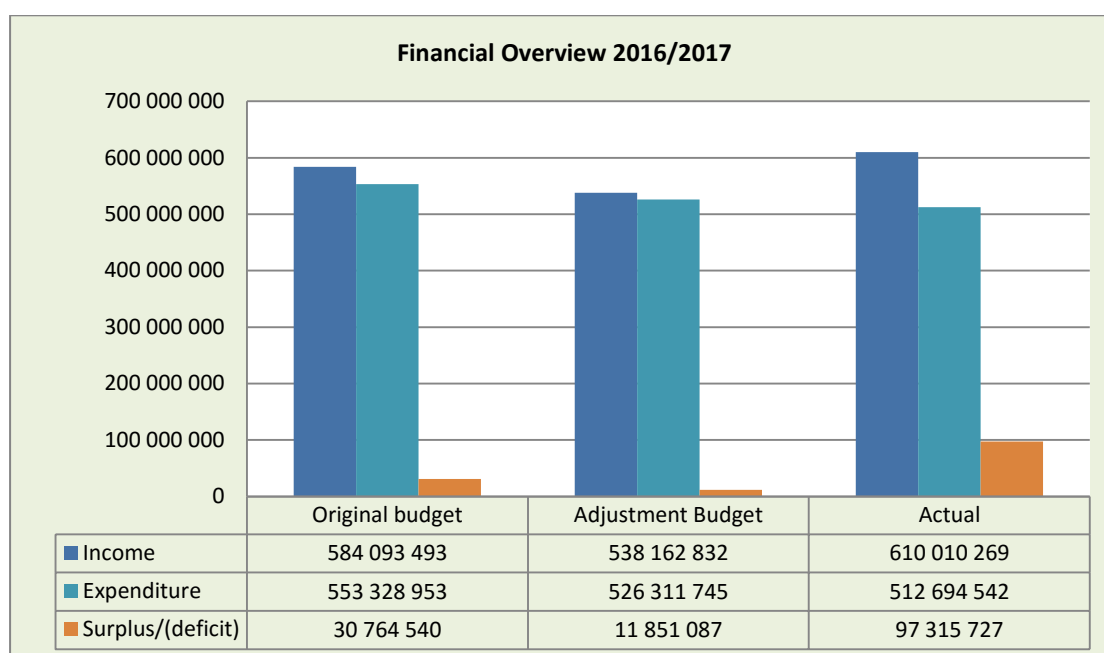


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KPA & Indicator	2014/15	2015/16	2016/17	Comments
debt service payments due within the year)				sufficient cash to cover outstanding debtors, the higher the ratio, the better
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	0.60 : 1	0.48 : 1	0.54 : 1	This is the percentage that outstanding debtors are of annual revenue, the lower, the better
Cost coverage (Available cash+ investments: Monthly fixed operating expenditure)	2.4 : 1	3.6 : 1	2.4 : 1	This is the percentage that cash on hands will be able to cover monthly expenditure, the higher, the better

## 1.4.4 Financial overview

Details	Original budget	Adjustment Budget	Actual
	R	R	R
Income	584 093 493	538 162 832	610 010 269
Grants	186 189 071	139 721 931	140 196 666
Taxes Levies and tariffs	355 520 087	355 520 087	346 270 220
Other	42 384 335	42 920 814	123 543 383
Less Expenditure	553 328 953	526 311 745	512 694 542
Net surplus/(deficit)	30 764 540	11 851 087	97 315 727



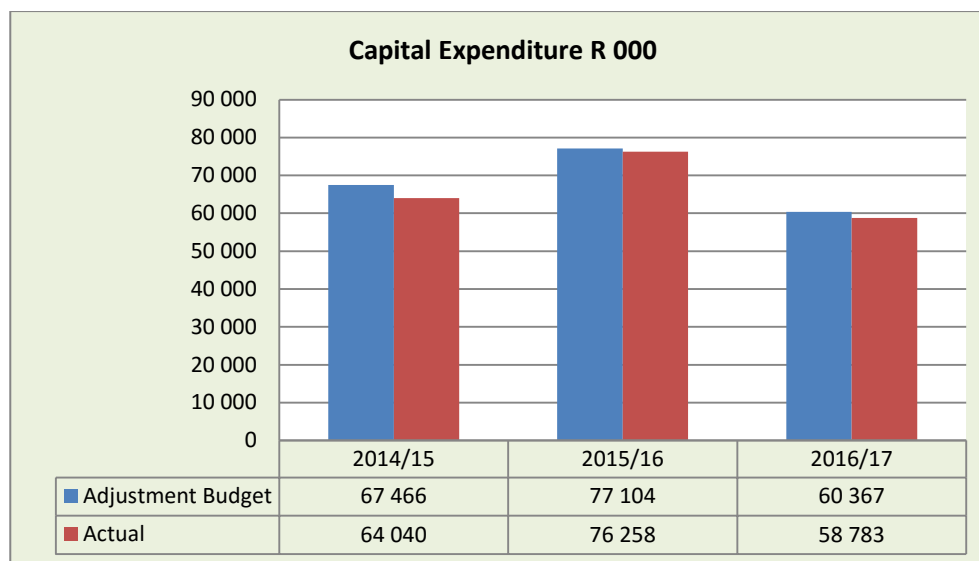
## 1.4.5 Operating ratio's as a percentage of operating expenditure

Detail	Expected norm	Actual	Variance
	%	%	%
Employee Cost	30	26.00	4.00
Repairs & Maintenance	20	0.00	15.52
Finance Charges & Depreciatio	10	8.40	1.59

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## 1.4.6 Total capital expenditure

Detail	2014/15	2015/16	2016/17
	R'000		
Original Budget	62,922	52,768	58,899
Adjustment Budget	67,466	77,104	60,367
Actual	64,040	76,258	58,783
Percentage Expenditure	94.9%	98.9%	97.4%



## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### 1.5.1 Municipal transformation and organisational development highlights

Highlight	Description
Creation of policy awareness to all levels of employees	Various HR road shows and employees induction programme
Realisation of public participation with all relevant wards	Five (5) channels of communication between the municipality and communities
Creation of awareness on Corruption and Fraud Policy	Communication of whistle blower process on a quarterly basis to the community and to personnel
Skilling, capacitating and building of essential personnel	Minimum competency realisation for all key staff and continuous capacity building for strategic personnel

### 1.5.2 Municipal transformation and organisational development challenges

Challenge	Actions to address
Gap in filling employment equity targeted groups in managerial positions	Specify the recruitments to the targeted in terms of the Employment Equity Plan segment

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Challenge	Actions to address
Low salary (remuneration) equals to lack of attraction of specialized skills	Embarking on salary scale reviews (TASK)
Limited capital budget	Requiring financial support for auxiliary functions from supporting organs of state

## 1.6 AUDITOR-GENERAL REPORT

### 1.6.1 Audited outcomes

Witzenberg Municipality is proud to obtain unqualified audit outcomes for the past five financial years. The implementation of General Recognized Accounting Standards (GRAP) was a huge challenge, but unqualified audit outcomes were still obtained. The challenge for the future is to maintain this standard. The Auditor-General of South Africa will issue opinions on the performance indicators in the future which will continually challenge our capacity, but we will endeavour to meet their criteria and adhere to regulations.

The table below detail the audit comes for the past five financial years:

Year	2012/13	2013/14	2014/15	2015/16	2016/17
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

## 1.7 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Municipal entities submit draft annual reports to MM	
5	Submit draft 2016/17 Annual Performance Report including consolidated annual financial statements to Internal Audit and Auditor-General	August
6	Audit/Performance committee considers draft Annual Performance Report of municipality and entities (where relevant)	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	September
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	October
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
10	Municipalities receive and start to address the Auditor General's comments	November

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11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	December
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	January
14	Council adopts Oversight report	
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	March
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

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## CHAPTER 2: GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard during decision-making. It is also responsive to the current and future needs of society.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE STRUCTURE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, councillors are also actively involved with community work and various social programmes in the municipal area.

##### 2.1.1 Council

Below is a table that categorises councillors within their specific political parties and wards:

Name of Councillor / Alderman	Capacity	Political Party	Ward representing or proportional
A Smit	Councillor 01/07/2016 - 03/08/2016	ANC	Ward 10
BC Klaasen	Executive Mayor	DA	Proportional
C Lottering	Councillor 03/08/2016 -	DA	Ward 2
D Jacobs	Councillor 03/08/2016 -	EFF	Proportional
D Kinnear	Councillor 03/08/2016 -	DA	Proportional
D Swart	Councillor	DA	Ward 3
E Sidego	MAYCO Member 03/08/2016 -	DA	Ward 11
G Laban	Councillor 03/08/2016-	Witzenberg Aksie	Proportional
H Smit Alderman	MAYCO Member	DA	Ward 5
H Visagie	Councillor 03/08/2016 -	ANC	Ward 8
J Du Plessis	Councillor 01/07/2016 – 03/08/2016	DA	Proportional
J Fredericks	MAYCO Member 01/07/2016 – 03/08/2016	Voice of Independent Party (VIP)	Proportional
J Mouton	Councillor 01/07/2016 – 03/08/2016	ANC	Proportional
J Phungula	Councillor 03/08/2016 -	ANC	Proportional
J Schuurman Alderman	Alderman 3/08/2016 -	ANC	Proportional
JJ Visagie	MAYCO Member	DA	Ward 4
K Adams	Deputy Executive Mayor	DA	Ward 6
M Du Toit	Councillor 01/07/2016 – 03/08/2016	ANC	Proportional
M Mdala	Councillor 03/08/2016-	ANC	Ward 12

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Name of Councillor / Alderman	Capacity	Political Party	Ward representing or proportional
M Saula	Councillor 01/07/2016-03/08/2016 -	ANC	Ward 1
N Phatsoane	Councillor 03/08/2016 -	ANC	Ward 1
P Daniels	Councillor	DA	Ward 7
P Heradien	Councillor 03/08/2016 -	ICOSA	Proportional
R Badela	Councillor 01/07/2016 - 03/08/2016	ANC	Ward 12
R Simpson	Councillor	ANC	Ward 9 - 01/07/2016 – 03/08/2016 Proportional- 03/08/2016 –
S Hugo	Councillor 03/08/2016 -	ANC	Ward 9
S Louw	MAYCO Member 01/07/2016 – 03/08/2016	DA	Proportional
SM Ndwanya	Councillor 01/07/2016 - 03/08/2016	ANC	Proportional
T Abrahams	MAYCO Member 03/08/2016 -	DA	Proportional
T Godden	Speaker Councillor	COPE	Proportional
T Mgoboza	Councillor 03/08/2016-	ANC	Ward 10
W Hanekom	MAYCO Member 01/07/2016 – 03/08/2016	DA	Ward 3
ZS Mzauziwa	Councillor 03/08/2016-	DA	Proportional

Below is a table which indicates the Council meeting attendance for the 2016/17 financial year:

Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
26 July 2016	36	100%	0%
17 August 2016	17	100%	0%
2 September 2016	12	100%	0%
26 October 2016	30	96%	4%
13 December 2016	36	96%	4%
16 January 2017	9	96%	4%
25 January 2017	25	91%	9%
27 February 2017	22	91%	9%
29 March 2017	25	100%	0%
6 April 2017	6	87%	13%
16 May 2017	10	96%	4%
30 May 2017	31	91%	9%

## 2.1.2 Executive Mayoral Committee

The Executive Mayor of the Municipality, Councillor BC Klaasen, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the legislative

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powers assigned to these parties. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in collaboration with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2016 to 30 June 2017:

Name of member	Capacity
Alderman H Smit	Chairperson: Committee for Corporate and Financial Services
Councillor J Visagie	Chairperson: Committee for Technical Services
Councillor S Louw 01/07/2016 – 02/08/2016 and Councillor TE Abrahams 03/08/2016 -	Chairperson: Committee for Rural Economic Development, Tourism and Marketing
Councillors J Fredericks 02/07/2016 – 03/08/2016 and Councillor K Adams 03/08/2017 -	Chairperson: Committee for Community Development
Councillor K Adams 01/07/2016 – 03/08/2016 and Councillor E Sidego 03/08/2017 -	Chairperson: Committee for Housing Matters

The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2016/17 financial year:

Meeting date	Number of items submitted to Council
<b>COMMITTEE FOR HOUSING MATTERS</b>	
14 July 2016	22
6 October 2016	24
9 February 2017	18
9 March 2017	22
6 April 2017	19
1 June 2017	22
29 June 2017	23
<b>COMMITTEE FOR RURAL ECONOMIC DEVELOPMENT, TOURISM AND MARKETING</b>	
21 September 2016	16
23 November 2016	16
15 March 2017	17
23 May 2017	13
<b>COMMITTEE FOR COMMUNITY DEVELOPMENT</b>	
22 September 2016	18
13 October 2016	16
24 November 2016	16
16 February 2017	17
16 March 2017	15

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Meeting date	Number of items submitted to Council
18 May 2017	16
22 June 2017	16
COMMITTEE FOR CORPORATE AND FINANCIAL SERVICES	
13 October 2016	19
16 February 2017	19
16 March 2017	28
18 May 2017	19
29 June 2017	19
COMMITTEE FOR TECHNICAL SERVICES	
21 September 2016	26
12 October 2016	20
23 November 2016	25
22 February 2017	20
27 March 2017	19
21 June 2017	19
<i>Please note that the name and functions of the committees have on numerous occasions been altered due to the changes within Council</i>	

## 2.1.3 Portfolio Committees

In terms of section 80 of the Municipal Structures Act 1998, if a Council has an executive committee; it may appoint, in terms of Section 79, committees of councillors to assist the executive committee or Executive Mayor. Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.

The portfolio committees for the 2016/17 Mayoral term and their Chairpersons are as follows:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to Council	Meeting Date
Committee for Housing Matters	Councillor K Adams 1 July 2016 – 2 August 2016 Councillor E Sidego 3 August 2016 -	Section 80	7	14 July 2016 6 October 2016 9 February 2017 9 March 2017 6 April 2017 1 June 2017 29 June 2017
Committee for Community	Councillor J Fredericks 1 July 2016 – 2 August 2017	Section 80	7	22 September 2016 13 October 2016



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Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to Council	Meeting Date
Development	and Councillor K Adams 3 August 2016 -			24 November 2016 16 February 2017 16 March 2017 18 May 2017 22 June 2017
Committee for Corporate and Financial Services	Alderman H Smit	Section 80	5	13 October 2016 16 February 2017 16 March 2017 18 May 2017 29 June 2017
Committee for Technical Services	Councillor J Visagie	Section 80	6	21 September 2016 12 October 2016 23 November 2016 22 February 2017 27 March 2017 21 June 2017
Committee for Rural Economic Development, Tourism and Marketing	Councillor S Louw 1 July 2017 – 2 August 2016 and Councillor T Abrahams 3 Augustus 2017 -	Section 80	4	21 September 2016 23 November 2016 15 March 2017 13 May 2017

## 2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Accounting Officer of the municipality. He is the head of the administration and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his directorship, which constitutes the management team below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
David Nasson	Municipal Manager	Yes
Cobus Kritzingier	Chief Financial Officer	Yes
Monwabisi Mpeluza	Director: Corporate Services	Yes
Jo-Ann Krieger	Director: Community Services	Yes
Joseph Barnard	Director: Technical Services	Yes

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

## 2.3 INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another, in mutual trust and good faith, fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

### 2.3.1 Intergovernmental structures

To adhere to the principles of the Constitution as mentioned above the municipality participates in the following intergovernmental structures:

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Municipals Managers Forum	SALGA, neighbouring municipality's MMs	District based initiatives
SALGA Working Groups	SALGA, Neighbouring municipality's Technical Directors and experts	Municipal wide information sharing
IDP Managers Forum	Department of Local Government (DPLG), All municipalities in the Western Cape (WC), IDP Managers	Provincial wide information sharing
LED Managers Forum	Cape Winelands Regional LED Forum	Sharing information and best practises on Economic Development
WMO Forum	DEADP, All municipalities in the Western Cape (waste management officers), and experts	Municipal wide information sharing with all 3 spheres of government.
IDP Joint Planning Initiative	All provincial sector departments, all municipalities in the Western Cape	Provincial, District & local based planning: JPI's and WCDP
Provincial Public Participation and Communication Forum (PPPCOM)	DPLG, all municipalities in the WC,s IDP Manager	Provincial wide information sharing
Ministerial Technical Committee	Provincial Government and Municipal Managers	Provincial programmes and initiatives aligned with municipal performance
Ministerial Mayoral Committee	Provincial Government and Mayors	Provincial programmes and initiatives aligned with municipal performance
District Public Participation and Communication Forum (DPPCOM)	All municipalities in the Cape Winelands District Municipality, DPLG, IDP Manager, local stakeholders for National Government Departments	District wide information sharing
Provincial Public Participation and Communication Forum (PPPCOM)	DPLG, GCIS, all municipalities in the WC, IDP Manager	Provincial wide information sharing
Provincial CommTech	DPLG, GCIS, all communication officials from municipalities in the WC, National Government Departments	Discussion, trend monitoring, training and workshops concerning government communication and technology
SALGA National Communicators Forum	DPLG, GCIS, all communication officials from municipalities in the WC, National Government Departments	Nationwide information sharing and calibration with the strategic focus of the NDP

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## 2.3.2 Joint projects and functions with sector departments

All the functions of government are divided between the different spheres namely National, Provincial and Local. The municipality therefore shares their area and community with other spheres of government as well as their various sector departments. This means that the municipality has to work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved	Contribution of Sector Department
National War on Poverty	Reduce poverty in identified poorest wards in municipal area	National Department of Rural Development	<ul style="list-style-type: none"> <li>Established steering committee with municipality and other provincial sector departments</li> <li>Implementing community based projects with Council of Stakeholders and IGR partners</li> <li>Mobilising resources</li> </ul>
CRDP ISC Meeting	Reducing poverty in the 3 poverty nodes	DRDLR, Agriculture department, Education, Social development, Public Works, CoS	<ul style="list-style-type: none"> <li>Mobilising resources</li> <li>Implementing projects to reduce poverty</li> <li>Sharing information</li> </ul>
Small Town Regeneration Program	Revitalization of towns through creating an enabling environment & infrastructure for economic growth	SALGA Provincial & National, COGTA, Social Development, Education, Business, NGO's	<ul style="list-style-type: none"> <li>Establish Town Steering Committees in Ceres, Wolseley and Tulbagh</li> <li>Town Steering committees drafting and implementing Community base projects to reduce unemployment and build social cohesion.</li> <li>Forcing strong partnerships with IGR partners</li> </ul>

## COMPONENT C: PUBLIC ACCOUNTABILITY

MSA section 15(b) requires a municipality to establish and organize its administration to facilitate and a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

A Municipal Public Accounts Committee has been established. The internal audit function has previously been outsourced, but is now administered internally with the appointment of three qualified auditors, employed on a permanent basis. The capacity of the Performance, Risk and Audit Committee has been increased with the appointment of qualified and specialized members. A representative from the business sector is also invited to participate in Mayoral Committee meetings.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;

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- 🍎 monitoring and review of the performance, including the outcomes and impact of such performance; and
- 🍎 preparation of the municipal budget.

## 2.4 PUBLIC MEETINGS

Apart from bi-annual community meetings held in each town, the municipality also communicates through monthly newsletters, loud-hailing, distribution of pamphlets, text messages and public service announcements via community radio.

Nature and purpose of the meeting	Date of events	Number of participating Municipal Councillors	Number of participating municipal administrators	Number of community members attended
<b>IDP /Budget Public meetings</b>				
IDP Review Public Participation	Ward 3 & 5 Ceres -14/11/ 2016	7	20	13
	Ward 7 & 11 Tulbagh -16 /11 2016	5	17	59
	Ward 4 & 10 P A Hamlet -17/11/2016	9	15	93
	Ward 8 & 9 Op-Die-Berg 21/11/2016	4	18	61
	Business & Agriculture -22 /11 /2016	2	7	16
	Ward 1 & 12 N'Duli 22 /11 /2016	5	9	97
	Ward 4 & 6 Bella Vista- 23/11/ 2016	5	26	69
	Ward 2 & 7 Wolseley 24/11/2016	3	18	85
	Ward Committees 23/11/2016	9	8	90
<b>IDP /Budget Public meetings</b>				
IDP Review Public Participation	Ward 2 & 7 Wolseley 20/04 /2017	8	11	149
	Ward 3 & 5 Ceres 24 /04 /2017	3	10	13
	Ward 4 & 6 Bella Vista 24/04/2017	2	14	61
	Ward 8 & 9 Op-Die-Berg 25/04/2017	5	9	86
	Ward Committees 05/05 /2017	7	8	81
	Business & Agriculture 04/05/2017	6	6	16
	Ward 7 & 11 Tulbagh 04/05 2017	3	8	78
	Ward 1 & 12 N'Duli 03 /05/2017	3	9	89
	Ward 4 & 10 P A Hamlet 02/05 2017	5	12	50

### 2.4.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2016/17 financial year:




Name of representative	Capacity	Meeting dates
H Smit	Chairperson	28 September 2016
B Klaasen	Executive Mayor	02 December 2016

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Name of representative	Capacity	Meeting dates
E Sidego	Mayco Member	08 February 2017 14 June 2017
K Adams	Deputy Mayor	
D Nasson	Municipal Manager	
H Kritzinger	Director Finance	
J Krieger	Director Community Services	
M Mpeluza	Director Corporate Services	
J Barnard	Director Technical Services	
I Swartbooi	Manager Human Resources	
C Wessels	Manager Administration	
M. Arendse	Acting Senior Human Resources Officer	
C Titus	Committee Clerk	
A Christians	IMATU	
J Noble	IMATU	
H Minnaar	IMATU	
J Goedeman	IMATU	
M Pieterse	IMATU	
S Joseph	IMATU	
K Ntanjana	SAMWU	
C Appolis	SAMWU	
L Silver	SAMWU	
R Frans	SAMWU	

## 2.4.2 Ward Committees

The purpose of a ward committee is:

-  to encourage better participation from the community and to inform council decisions;
-  to make sure that there is effective communication between the Council and the community;
-  to assist the ward councillor with consultation and feedback to the community.

Ward committees need to be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented in the membership contingent. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they act as an advisory body to the ward councillor, which enables them to make specific submissions directly to the Council. These committees play a pivotal role in the development and annual revision of the IDP of the area.

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The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

Note: Due to the 2016 Local Government Elections taking place in August 2016, the establishment of the new ward Committees only took place during October and November 2016. The new ward committees needed to undergo training December 2017 and January 2017. Inauguration of ward committee members took place in February 2017 and these committees have been active since March 2017.

## Ward 1: N'Duli (Polo Cross Hall)

Name of representative	Capacity representing	Number meetings held during the year
Sipho Mdange	Sport & Culture	6
Cynthia Davids	Health & Social	
Raymond Stuurman	Safety	
Andile Gili	Youth	
Mandisa Hinana	Education	
Kenneth Mbangula	Business Community	
Noxolo Mbali	Women	
Thubalakhe Mhlakwapalwa	Churches	
Johannes Busakwe	Civics & Taxes	
Lungisile Kondlo	Disabled& Elderly	

## Ward 2: Wolseley (Montana Library)

Name of representative	Capacity representing	Number meetings held during the year
	Safety	6
Audrey Longman	Education	
Lucille Classen	Health & Social	
Elizabeth Van Rooyen	Disability & Eldery	
Jo-Ann Adams	Civics & Taxes	
Elizabeth Wynand	Women	
Katrina Van Rensburg	Business Community	
Cornelia Moses	Youth	
Adan Maarman	Sport & Culture	
Brain Albertus	Churches	

## Ward 3: Ceres (Rietvallei Library)

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Name of representative	Capacity representing	Number meetings held during the year
Adriaan Williams	Business Community	6
Mark Mentoer	Health & Social	
Marinda Mankapan	Women	
Hendrik Titus	Churches	
Lorencia Jacobs	Safety	
Mariaan Van Rooi	Youth	
Elizabeth Velensky	Disabled & Elderly	
Saartjie Franse	Sport & Culture	
Amanda Whitebooi	Education	
Ronald Ross	Civics & Taxes	

## Ward 4: Prince Alfred's Hamlet (Kliprug Community Hall)

Name of representative	Capacity representing	Number meetings held during the year
Alma Goosen	Business Community	5
David Mentoer	Civics & Taxes	
Johan Jacobs	Youth	
Jane Haas	Women	
Marthinus January	Safety	
Anneline Smit	Churches	
Jerome Barends	Sport & Culture	
Moses Davids	Health & Social	
Jacobus de Wee	Disabled & Elderly	
Le-Marco Smit	Education	

## Ward 5: Ceres (John Steyn Library)

Name of representative	Capacity representing	Number meetings held during the year
Hyno Baartman	Health & Social	3
Amelia Abrahams	Disabled & Elderly	
Angeline Wildschut	Youth	
Marius Koopman	Civics & Taxes	
Rudolf Nel	Sport & Culture	
Fiona Hardneck	Churches	
Sylvia Cupido	Women	

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Name of representative	Capacity representing	Number meetings held during the year
Jonathan Nel	Safety	
Ronnie Philander	Education	

## Ward 6: Bella Vista (Bella Vista Library)

Name of representative	Capacity representing	Number meetings held during the year
Frederika Koopman	Youth	5
Joey Jantjies	Churches	
Melanie Bé	Disabled & Elderly	
Sara Krotz	Sport & Culture	
Chantel Pietersen	Health & Social	
Johannes Crotz	Safety	
Oelsen Seroot	Business & Community	
Sylvia Minnaar	Women	
Letichia Crotz	Education	
Alwyn Fransman	Civics & Taxes	

## Ward 7: Wolseley (Montana Library)

Name of representative	Capacity representing	Number meetings held during the year
Deborah Hlongwana	Churches	6
Magdalena Julius	Business Community	
Jacqueline Fortuin	Youth	
Edward Nchephe	Safety	
Kenneth Carelse	Sport & Culture	
Paulina Basson	Health & Social	
Anne Swarts	Women	
Lambertus Johnson	Civics & Taxes	
Piet Klink	Disability & Elderly	
André Andreas	Education	

## Ward 8: Op -Die-Berg (Op-die-Berg Aksent Office)

Name of representative	Capacity representing	Number meetings held during the year
Brendon Maqhina	Disability & Elderly	6



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Name of representative	Capacity representing	Number meetings held during the year
Lena Pieters	Sport & Culture	
Ayanda Teni	Business Community	
Magrieta Baardman	Women	
Elzaan Ruiters	Youth	
Lagina Baleni	Churches	
Albertus Nel	Safety	
Chriszelda Mars	Health & Social	
Gert Jantjies	Education	
Johannes Fransman	Civic & taxis	

## Ward 9: Op-die-Berg

Name of representative	Capacity representing	Number meetings held during the year
Francic Mackenzie	Churches	2
Carlo Galant	Health & Social	
Ndelelo Shweni	Disabled & Elderly	
Annie Jansen	Women	
Tom Persens	Education	
Jika Bongiswa	Civics & Taxes	
Mzwandile Phuphuma	Safety	
Aneline Arries	Youth	
	Business Community	
Chrisjan Fortuin	Sport & Culture	

## Ward 10: PA Hamlet (Council Chambers)

Name of representative	Capacity representing	Number meetings held during the year
Thandazwa Zima	Youth	6
Isak Lourens	Women	
Sophia De Bruin	Health & Social	
Juliana Appollis	Civics & Taxes	
Clive Young	Education	
Berend Skippers	Sport & Culture	
Bruce Salvester	Business Community	
Jacob Faro	Churches	

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Name of representative	Capacity representing	Number meetings held during the year
Leonard Baardman	Safety	
Clara Swarts	Disable & Elderly	

## Ward 11: Tulbagh (Council Chamber)

Name of representative	Capacity representing	Number meetings held during the year
Sittimio Louw	Education	5
Jonathan Fransman	Sport & Culture	
Gerald Davids	Sport & Culture	
Rosina Jooste	Churches	
Raymond Malapo	Women	
Ann Myburgh	Disabled & Elderly	
Daniel Thomas	Civics & Taxes	
Nceba Nyosana	Youth	
Theo Lombaard	Business Community	
Sittimio Louw	Safety	

## Ward 12: N'Duli (Community Hall)

Name of representative	Capacity representing	Number meetings held during the year
Zingiswa Senoamali	Education	6
Mncedisi Gili	Disabled & Elderly	
Jevon Lukas	Churches	
Thembakazi Ncaphayi	Health & Social	
Kholekile Mrwetyana	Business Community	
Humphry Ndwanya	Safety	
Namhla Mdala	Sport & Culture	
N Ruth Yisa	Women	
Siyabonga Gaba	Civics & Taxes	
Bulelwa Mzwakali	Youth	

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## 2.4.3 *Functionality of Ward Committees*

Ward committee members are paid a monthly stipend and transport is provided, where necessary. This stipend is to aid ward committee members with attend meetings and functions where public participation, through the ward committee system, is required.

Venues have been established for the ward meetings and support personnel. The Community Liaison Officers and Community Development Workers are available for support, if necessary. Refreshments are provided at the ward committee meetings.

The table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No
1	Yes	6	6	Yes
2	Yes	6	6	Yes
3	Yes	6	6	Yes
4	Yes	5	5	Yes
5	Yes	3	3	No
6	Yes	5	5	Yes
7	Yes	6	6	Yes
8	Yes	6	6	Yes
9	Yes	2	2	Yes
10	Yes	6	6	Yes
11	Yes	5	5	Yes
12	Yes	6	6	Yes

## COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also encompasses the relationships amongst the various stakeholders involved and the strategic goals governing the institution.

## 2.5 RISK MANAGEMENT

Section 62(1)(c)(i) of the MFMA states that: "... The accounting officer of the municipality is responsible for managing the financial administration of the municipality, and must for this purpose 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."

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Witzenberg Municipality is committed to the optimal management of risk in order to protect our core public service values, achieve our vision, objectives and deliver on our core business functions.

In the course of conducting our daily business operations, we are exposed to a variety of risks. These risks include operational and other material risks which require comprehensive controls and on-going oversight to be properly managed.

To ensure business success the Municipality have adopted an enterprise-wide integrated approach to the management of risks. By embedding the risk management process into key business processes such as planning, operations and new projects, the municipality will be better equipped to identify events affecting our objectives and to manage risks in ways that are consistent with the approved risk appetite.

The top 10 inherent strategic risks of Witzenberg Municipality are:

- 1) Drought
- 2) Illegal land use and building works
- 3) Inadequate supply of electricity to meet existing and future demands due to insufficient capacity and an under-developed Eskom bulk network
- 4) Community dissatisfaction with slow progress towards service delivery
- 5) Poor growth in revenue base
- 6) Inability to recover outstanding receivables
- 7) Major unplanned interruptions to deliver basic services
- 8) Deteriorating electrical, water, sanitation, pipe and road infrastructure
- 9) Inability to deal with disaster, business continuity and fire hazards
- 10) Inability to minimise recyclable waste

## 2.6 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i), identify 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 minimize the likelihood of corruption and fraud.

### 2.6.1 Developed strategies

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-Fraud and Corruption Strategy	Yes	June 2015
Fraud and Corruption prevention policy and	Yes	June 2015

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Name of strategy	Developed Yes/No	Date Adopted/Reviewed
response plan		





## 2.6.2 Implementation of strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Fraud Prevention Policy	Supply Chain Management	Roll-out of Anti-Fraud and Corruption Policy to internal stakeholders through presentations and internal newsletters
Ethics Awareness Programme	Possible loss of income at traffic due to inactive follow-up on traffic violations	Roll-out of Anti-Fraud and Corruption Policy to external stakeholders through outreach programmes
Outreach programme on fighting fraud and corruption	Lack of awareness of fraud amongst staff	Investigation of fraud and corruption cases
Whistle blowing through the National Fraud Hotline	Possible misuse of policy to disclose sensitive information	Monitoring recommendations with regards to disciplinary, criminal and recovery actions. Effective delegation systems
Establish a Witzenberg Municipal fraud line which is operated by an external provider	Ensure that allegation of fraud and corruption are investigated in order to eliminate fraud and corruption	Prevention and detection of fraud at a more rapid pace
To ensure that all employees and councillors in service of the Witzenberg Municipality has declared all interest/ownership/directorship.	Avoid doing business with employees in service of the municipality who does not declare that they are in service of the municipality	Use Trans Union in order to identify all employees have interest/ownership/directorship in companies
Regular update of the fraud risk register	Detection and prevention of fraud in the municipality	Monitoring key controls to alleviate fraud and corruption

## 2.7 PERFORMANCE, RISK AND AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –





(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

-  internal financial control;
-  risk management;
-  performance management; and
-  effective governance.

Section 14(2)(c) of the Local Government Municipal Planning and Performance Management Regulations (R796 dated 24 August 2001) states that a municipality may utilize any Audit Committee established in terms of other applicable legislation as the Performance Audit Committee of the said municipality.

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The Public Sector Risk Management framework states that the committee should review and recommend for approval the:

-  risk management policy;
-  risk management strategy;
-  risk management implementation plan; and
-  risk appetite

## 2.7.1 Functions of the Performance, Risk & Audit Committee

Council noted its Performance, Risk and Audit Committee charter on 30 May 2017.

In order to fulfil its role, the Committee advise the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

-  Internal financial control and internal audits;
-  Risk management;
-  Accounting policies;
-  The adequacy, reliability and accuracy of financial reporting and information;
-  Performance management;
-  Effective governance;
-  Compliance with the MFMA, Division of Revenue Act (DoRA) and any other applicable legislation;
-  Performance evaluation; and
-  Any other issues referred to it by the municipality.

## 2.7.2 Members of the Performance, Risk & Audit Committee

Name of representative	Capacity	Meeting dates
Mr George ( <i>Appointed 26 July 2016</i> )	Chairperson	17 January 2017 3 March 2017 5 May 2017 30 June 2017
Mr A Amod	Member	17 January 2017 3 March 2017 30 June 2017
Mr J. Basson	Member	17 January 2017 3 March 2017 5 May 2017
Mr. T. Lesihla	Member	17 January 2017 3 March 2017 5 May 2017
Mr F. Redelinghuys ( <i>Appointed 26 July 2016</i> )	Member	17 January 2017 3 March 2017 5 May 2017 30 June 2017

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## 2.7.3 Performance, Risk & Audit Committee (PRAC) recommendations

Date of the PRAC meetings	Committee recommendations during 2015/16	Recommendations adopted (enter Yes) If not adopted (provide explanation)
17 January 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that the Draft Witzenberg Annual Report for 2015/2016 be approved.	Yes
17 January 2017	Recommend to the Executive Mayor, Mayoral Committee and Council that notice be taken of the Section 71 reports of the Department Finance for April, May, June, July, August, September, October and November 2016 and same be accepted.	Yes
17 January 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that notice be taken of the AGSA Audit Report for 2015/2016.	Yes
17 January 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that the Executive Mayor, Mayoral Committee and Council take notice of the report of the Performance, Risk and Audit Committee for the financial year ended 30 June 2016 and accept same.	Yes
17 January 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that the Executive Mayor, Mayoral Committee and Council take notice of the report of the Performance, Risk and Audit Committee for the financial year ended 30 June 2016 and accept same and that the next cycle of the three year plan in respect of the Risk Based Audit Plan for 2016/2017 to 2018/2019 be accepted	Yes
17 January 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that the Executive Mayor, Mayoral Committee and Council, in order to improve the functionality, compliance and reliability of the Performance Management System, management should embrace the recommendations by Internal Audit and ensure continuous monitoring to address the control deficiencies.	Yes
3 March 2017	that the Performance, Risk and Audit Committee recommends to Council that the Internal Audit Charter with effect from 1 July 2016 to 30 June 2017 be approved and adopted without change.	Yes
3 March 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that notice be taken of the Quarterly Budget Statement [Section 52(d)] report for the period 1 January 2017 to 31 March 2017 and same be accepted.	Yes
3 March 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that the Performance, Risk and Audit Committee takes note of the Risk Management Report for the third quarter of 2016/2017 and same be accepted.	Yes
3 March 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that notice be taken of the Section 71 Reports of the Department Finance for February and March 2017 and same be accepted.	Yes

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Date of the PRAC meetings	Committee recommendations during 2015/16	Recommendations adopted (enter Yes) If not adopted (provide explanation)
30 June 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that notice be taken of the Performance, Risk and Audit Committee Charter for 2017/2018 and the same be accepted.	Yes
30 June 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that notice be taken of the Fraud and Corruption Prevention Policy and Response Plan and the same be accepted.	Yes
30 June 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that notice be taken of the Fraud and Corruption Prevention Strategy and the same be accepted.	Yes
30 June 2017	To recommend to the Executive Mayor, Mayoral Committee and Council that notice be taken of the Section 71 monthly reports of the Department Finance for April and May 2017 and the same be accepted.	Yes

## 2.8 INTERNAL AUDITING

An annual risk assessment update was performed during April/June 2017 and all relevant risks were populated into the Witzenberg risk register. Updates were performed on a continuous basis. This risk assessment forms the basis of the 2016/17 to 2018/19 Risk Based Audit Plan.

The results of the 3-year strategic internal audit plan are included below:

Audit Activity	2016/17	2017/18	2018/19
<b>Statutory Internal Audits</b>			
DORA compliance	✓	✓	✓
Performance Management System (quarterly)	✓	✓	✓
<b>Risk based audits</b>			
AGSA Key controls	✓	✓	✓
Follow up internal Audit findings	✓	✓	✓
Operation Clean Audit	✓	✓	✓
<b>Risk based audits</b>			
Income & Debtors			✓
Supply Chain Management			✓
Human Resources ( Including Leave and Training)	✓		
Asset Management	✓	✓	
Inventory			✓
Maintenance Management		✓	
Project & Contract Management		✓	
Indigent Management	✓		
IT – General controls	✓		



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Audit Activity	2016/17	2017/18	2018/19
Cash Handling			√
Fleet Management		√	
Traffic Services			√
Disaster Management & Business continuity		√	
Overtime	√		
Debt Collection and Credit Control	√		
Time and attendance		√	
Property valuations	√		

## Annual Audit Plan

The Audit Plan for 2016/17 was implemented and the table below provides detail on audits completed:

Audit Activity	Estimated hours	Quarter	Status
<b>Statutory Audits</b>			
DORA compliance	200	3	Completed
Performance Management System	600	All	Completed
<b>Follow up audit work</b>			
AGSA key controls	80	All	Completed
Follow up Internal Audit Findings	500	All	Completed
OPCAR	80	All	Completed
<b>Risk based audits</b>			
Human Resources	300	-	Stand over
Overtime	200	3	Work in Progress
Property Valuation Roll	300	-	Stand over
<b>AD-Hoc audits</b>			
Year-end stock count	80	4	Completed
<b>Other</b>			
MSCOA	400		
Legislative/Advisory/Committees	364	All	Completed
IA Quality Assessment	40	4	Work in progress
Combine Assurance Assessment	300	-	Work in Progress
Compliance system	40	All	Completed
Risk Management	200	All	Completed

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## 2.9 BY-LAWS

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation conducted prior to adoption of policy (Yes/No)	Date of Publication
Cellular Telephone and Data Card Policy	26 July 2016	No	Not applicable
Transport, Travel and Subsistence Allowance for Councillors and Employees Policy	26 July 2016	No	Not applicable
Conferment of Aldermanship Policy	26 July 2016	No	Not applicable
Post-Employment Medical Benefits Policy	26 July 2016	No	Not applicable
Amended Rates Policy	27 February 2017	No	Not applicable
Amendment of the Consumer Payment Incentive Policy	30 May 2017	No	Not applicable
Adjustment of the Consumer Payment Incentive policy	30 May 2017	No	Not applicable

## 2.10 SUPPLY CHAIN MANAGEMENT

### 2.10.1 Competitive bids in excess of R 200 000

#### Bid Committee meetings

The following table details the number of Bid Committee meetings held for the 2016/17 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
35	35	29

Attendance of members of the Bid Specification Committee, are as follows:

Member	Percentage attendance (%)
Manager Income / Deputy Director Finance / Manager Financial Administration (Chairperson)	100
Manager Supply Chain	100
Relevant technical expert responsible for a function	100

Attendance of members of the Bid Evaluation Committee, are as follows:

Member	Percentage attendance (%)
Manager Income / Deputy Director Finance / Manager Financial Administration (Chairperson)	100
Manager Supply Chain	100
Relevant technical expert responsible for a function	100

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Attendance of members of the Bid Adjudication Committee, are as follows:

Member	Percentage attendance (%)
Director Financial Services (Chairperson)	100
Director Technical Services	86.21
Director Community Services	93.11
Director Corporate Services	55.18
Manager Supply Chain/Deputy Director: Finance	96.56

*Note: The percentages as indicated above include the attendance of those officials acting in the position of a Bid Committee Member.*

## Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 33 bids of an estimated value of R 66 522 827.31

The five highest bids awarded by the Bid Adjudication Committee, are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R
08/2/13/83	Supply and delivery of Electrical equipment	Finance / Electrical – Stores	Various bidders	6 794 831.40
08/2/14/31	Construction of a new 2ML reservoir at Bella Vista, Ceres	Technical – Water	JVZ Construction (PTY) Ltd	6 659 511.46
08/2/13/82	Provision of Security Services	Corporate – All	Mafoko Security Patrols (PTY) Ltd	6 328 322.49
08/2/13/72	Roads and Storm water maintenance in Witzenberg area	Technical – Streets & Storm water	JVR Construction CC	5 992 000.74
08/2/14/29	Bella vista affordable housing development, Ceres: Bulk water pipeline	Technical – Water	Exeo Khokela Civil Engineering Construction (PTY) Ltd	5 562 191.79

## Awards made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's Supply Chain Management Policy, only the Accounting Officer may award a bid which is in excess of R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer.

The following bid was awarded by the Accounting Officer during the 2016/17 financial year:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R
08/2/14/30	Construction of 4.5ML N'Duli reservoir, Ceres	Technical – Water	Ruwacon (PTY) Ltd	12 928 681.00

## Awards made by the Bid Adjudication Committee

The following bid was awarded by the Bid Adjudication Committee in terms of paragraph 45 (2) of the Supply Chain Management Policy and paragraph 37 (2) of the Supply Chain Regulations:

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Bid number	Date	Name of Supplier	Brief description of services	Value of bid awarded R
08/2/14/30	19/04/2017	Silverdale Projects (Pty) Ltd	Appointment of project manager to investigate the establishment of an agricultural processing and fresh produce hub for Wolseley	R 800 000 (VAT incl)

## Appeals lodged by aggrieved bidders

The following appeals were lodged by aggrieved bidders on awards made in terms of section 62(1) of the Municipal Systems Act (Act 32 of 2000):

Bid number	Bid title	Date of appeal	Appellant	Reason for appeal	Dismissal	Dealt by
08/2/14/12	Sale of portion 1 of farm 276, Duivelsberg & remainder of farm 274 Twistniet Tulbagh RD	23-Feb-17	MK Forestry Service (Pty) Ltd t/a Waverley Investments	No preference for BBBEE	Appeal was dismissed by the Accounting officer	Accounting Officer
08/2/13/82	Provision of security services	20-Mar-17	Venus Security Solutions	BBBEE status and verification	Matter is under review	Accounting officer
		27-Mar-17	Bizstorm 51 CC T/A Global Force	Non-compliance to pre-qualification criteria		
		28-Mar-17	Isivile Security services (PTY) Ltd	Award to company in Western Cape		
		28-Mar-17	Secunet Security Services	Company awarded to has no infrastructure in Witzenberg		
		23-Mar-17	Star Security Services	Claim previous experience submitted was sufficient		
08/2/14/07	Supply, Delivery, Repair And Installation Of Fibreglass Lining At Eiland Swimming Pool	24-May-17	Namakwa Construction	Reason for not awarding to company	Appeal was dismissed	Accounting officer
08/2/14/07	Supply, Delivery, Repair And Installation Of Fibreglass Lining At Eiland Swimming Pool	24-May-17	Arlindo's Fibreglass	Reason for not awarding to company	Appeal was dismissed	Accounting officer

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## Awards made to enterprises within the Witzenberg municipal area

The following table details the value of competitive bids awarded to enterprises within the Witzenberg Municipal Area during the 2016/17 financial year:

<b>Number of contracts awarded to enterprises within the Witzenberg municipal area</b>	<b>Percentage of contracts awarded to enterprises within the Witzenberg municipal area (%)</b>	<b>Value of contracts awarded to enterprises within the Witzenberg municipal area R</b>	<b>Percentage of contract value awarded to enterprises within the Witzenberg municipal area (%)</b>
8	22.86	6 804 008.42	10.22

## ***2.10.2 Formal written price quotations between R 30 000 and R 200 000***

### Awards made to enterprises within the Witzenberg municipal area

A total of 27 formal written price quotations amounting to R2 468 503.58 were awarded.

The following table details the value of formal written price quotations awarded to enterprises within the Witzenberg municipal area during the 2016/17 financial year:

<b>Number of contracts awarded to enterprises within the Witzenberg municipal area</b>	<b>Percentage of contracts awarded to enterprises within the Witzenberg municipal area (%)</b>	<b>Value of contracts awarded to enterprises within the Witzenberg municipal area R</b>	<b>Percentage of contract value awarded to enterprises within the Witzenberg municipal area (%)</b>
8	29.63	507 839.56	20.58

## ***2.10.3 Deviation from normal procurement processes***








Paragraph 44 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R 9 720 405.19 were approved by the Accounting Officer. The following table provides a summary of deviations approved on an annual and monthly basis respectively:

<b>Type of deviation</b>	<b>Number of deviations</b>	<b>Value of deviations R</b>	<b>Percentage of total deviations value (%)</b>
Single supplier	93	2 552 126.01	35.23
Impossible	0	0.00	0.00
Impractical	107	5 257 597.69	40.53
Emergency	64	1 910 681.49	24.24

This amount shows a decrease of R 9 775 336.72 compared to the previous year's figure of R 19 495 741.91.

## **2.10.4 Logistics management**








The system of logistics management must ensure the following:

-  the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
-  the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
-  the placing of manual or electronic orders for all acquisitions other than those from petty cash;
-  before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
-  appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
-  regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
-  monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores, Drommedaris Street, is coded and listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper. Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores section in order to gear them to order stock in excess of the normal levels. Internal controls are in place to ensure that goods and service that are received, are certified by the responsible person, which is in line with the general conditions of contract. Regular checks are performed to determine the condition. Quarterly stock counts are performed so that surpluses, deficits, damaged and redundant stock items are identified and reported to Council. As at 30 June 2017, the value of the stock at the municipal stores is calculated at R 8 166 220.98, with a satisfactory stock turnover rate of 1.73. For the 2016/17 financial year, a total of R82.27 was accounted for as damaged and deficit inventory. Surplus items amounted to R 49.40.

## **2.10.5 Disposal management**

The system of disposal management must ensure the following:

-  immovable property is sold only at market related prices, except when the public interest or the plight of the poor demands otherwise;
-  movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices; whichever is the most advantageous;
-  Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the National Conventional Arms Control Committee;
-  Immovable property is let at market related rates, except when the public interest or the plight of the poor demands otherwise;
-  All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property is reviewed annually;
-  Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
-  In the case of the free disposal of computer equipment, the Provincial Department of Education is first approached to indicate within 30 days whether any of the local schools require this equipment.

No disposals took place during the 2016/2017 financial year. A consolidated report was submitted to the CFO for review and served before Council on 30 May 2017. Council resolved that the item be held in abeyance until the next meeting.

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## 2.10.6 Performance management

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes has been updated and are awaiting approval for implementation. Monthly reporting concerning appeals received by aggrieved bidders is also done to measure the performance of the bid specification and bid evaluation committees.

The Accounting Officer has appointed the Internal Auditor as the independent observer to attend bid committee meetings. This further enhances transparency with regard to our bid committee system and compliance to all relevant legislation.

No companies were listed as restricted suppliers during the 2016/17 financial year.

## 2.11 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's Communication Strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Draft Budget 2016/17	Yes
Adjusted Budget 2016/17	Yes
Asset Management Policy	Yes
Customer Care, Credit control and Debt collection Policy	Yes
Indigent Policy	Yes
Funds and Reserves Policy	Yes

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Description of information and/or document	Yes/No
Investment and Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Veriment Policy	Yes
Petty Cash Policy	Yes
Long Term Financial Policy	Yes
Borrowing Policy	Yes
SDBIP 2016/17	Yes
<b>Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
Reviewed IDP for 2016/17	Yes
IDP Process Plan for 2016/17	Yes
<b>Supply Chain Management (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b>	
List of capital assets that have been disposed	Yes
Long Term borrowing contracts	Yes
<b>Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)</b>	
Annual Report of 2015/16	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
<b>Performance Management (Section 75(1)(d) of the MFMA)</b>	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act	Yes
<b>Assurance Functions (Sections 62(1), 165 and 166 of the MFMA)</b>	
Audit Committee charter	Yes
Risk Management Policy	Yes






## 2.12 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all. Good customer care is of fundamental importance to government organisations due to their constant interaction with members of the public. All local government entities strive to uphold the following Constitutional ideals towards the development of acceptable policy and legislative framework regarding service delivery in public service:



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-  Promoting and maintaining high standards of professional ethics;
-  Providing service impartially, fairly, equitably and without bias;
-  Utilising resources efficiently and effectively;
-  Responding to people's needs; the citizens are encouraged to participate in policy-making; and
-  Rendering an accountable, transparent, and development-oriented public administration.

These ideals are achieved through the 8 principles of Batho Pele:

## **Consultation**

There are many ways to consult consumers of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer representative bodies, NGO's and CBO's. Often, more than one method of consultation will be necessary to ensure comprehensiveness and representativeness. Consultation is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.

## **Setting service standards**

This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards. Required are standards that are precise and measurable so that residents can judge for themselves whether or not they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorise a housing claim, to issue a passport or identity document, or even to respond to letters. To achieve the goal of making South Africa globally competitive, standards should be benchmarked (where applicable) against those used internationally, taking into account South Africa's current level of development.

## **Increasing access**

One of the primary aims of Batho Pele is to provide a framework for making decisions about delivering public services to the many South Africans who do not have access to them. Batho Pele also aims to rectify the inequalities in the distribution of existing services. Examples of initiatives by government to improve access to services include such platforms as the Gateway, Multi-Purpose Community Centres and Call Centres. Access to information and services empowers citizens and creates value for money, quality services. It reduces unnecessary expenditure for the citizens.

## **Ensuring courtesy**

This goes beyond a polite smile, 'please' and 'thank you'. It requires service providers to empathize with the citizens and treat them with as much consideration and respect, as they would like for themselves. Local government is committed to continuous, honest and transparent communication with the citizens. This involves communication of services, products, information and problems, which may hamper or delay the efficient delivery of services to promised standards. If applied properly, the principle will help demystify the negative perceptions that the citizens in general have about the attitude of the public servants.

## **Providing information**

As a requirement, available information about services should be at the point of delivery, but for residents who are located far from the point of delivery, other arrangements will be needed.

## **Openness and transparency**

A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge. It is anticipated that the public will take advantage of this principle and make suggestions for improvement of service delivery mechanisms, and to even make government employees accountable and responsible by raising queries with them.

## **Redress**

This principle emphasises a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. This should be done at the individual transactional level with the public, as well as at the organisational level, in relation to the entire service delivery programme. Public servants are encouraged to welcome complaints as an opportunity to

improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.

## **Value for money**

Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs. Failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, result in an incorrectly completed application form, which will cost time to rectify.

### **2.12.1 Communication strategy**

The Witzenberg Municipality Communication Strategy 2013/2017 illustrates the views of local residents regarding communication and perceptions of the municipality. Many views expressed display dissatisfaction levels with aspects related to elements beyond the scope of local government, for example access to housing, employment opportunities, education and healthcare. However, local government acts as the conduit to expedite issues of this nature to the correct government entities as well as support and invest in various programmes aimed at skills development, youth development, social development and short term temporary employment. Levels of literacy, understanding of language, public apathy, level of education, knowledge of government processes and access to communication tools can also affect how the public formulates perceptions of local government and can potentially hamper how they communicate and assimilate communication, especially within rural environs.

A successful communication strategy therefore links local demographics to the municipality's action plan and influences budgetary expenditure according to the needs of the public.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	Part of the Strategy
Media communication	Yes
Public participation and ward committees	Yes
Online communication	Yes
Customer satisfaction surveys	Yes
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes

### **2.12.2 Communication and query/complaint management**

Witzenberg Municipality runs a 24 hour control centre that provides assistance to the public, 7 days a week, 365 days a year. The control centre offers the dual function of escalating service delivery queries to the correct departments such as water and sewerage, electrical, streets and storm water, as well as escalates emergency service queries to police, ambulance, fire, traffic. They also perform the function of informing senior management and Council concerning high priority incidents such as shack fires, housing issues, motor vehicle accidents, obstructions and health hazards. This ensures that decisions regarding expenditure and overtime can be executed and monitored. Complaints are also received via fax, email, website and letters and this communication is routed to the correct sections and personnel to address. Speedy turnaround times and feedback towards clients ensure that they are not disgruntled and have a realistic expectation of when the service will be delivered, its delivery method and how the query will be resolved. This greatly aids in educating the public on how the municipality conducts its operations, how to use the municipality to address issues as well as creating public support. Failure to

validate complaints and communicate the reasons for service interruptions can result in discord and protest.

## ***2.12.3 Communication and municipal marketing***

The cornerstone of municipal marketing is the quality of service which includes speed of initial response, workmanship of service rendered, duration of address before resolution, feedback to the complainant, professional closure/finishing of the problem addressed. Branding is associated with all types of municipal marketing (logos, uniforms, public engagement, etc.) and as illustrated in the Communication Strategy 2013/2017, the public do not have a negative perception of services rendered by the municipality, but neither do they have a positive perception of the municipality. Thus, marketing efforts will focus upon logo placement on all infrastructure, creation of printed collateral, monthly newsletters, social media engagement, media statements, corporate gifting, etc. The overarching theme projected with communication is to offer the public easy access to services, information, personnel and complaint resolution.

## ***2.12.4 Communication and international relations***

Witzenberg Municipality is open towards establishing mutually beneficial partnerships with international organisations and municipalities aimed at skills development, knowledge sharing, local economic empowerment and job creation. The municipality regularly conducts meetings with visiting international delegations to discuss aspects of operations and best practice models. Some of these engagements have resulted in twinning agreements offering developmental support to our vulnerable communities.

## ***2.12.5 Communication and investor relations***

Witzenberg Municipality consistently markets its service delivery levels and infrastructure in a bid to attract investors to the area through the promotion of its facilities, management, political stability, water and air quality, natural environment and unskilled and semi-skilled labour force.

## ***2.12.6 Emergency and disaster communication***

In the event of an emergency or disaster being declared by the District, Witzenberg Municipality is able to provide communication support through mechanisms of communications relay to line functions within its competence, able to source landscape and geographical mapping of the area in question, gather inputs from visceral line functions and services, perform communication reports to monitor the situation, act as spokesperson, manage and support media relations, drafting articles/statements and providing photographic evidence of the situation if so required.

## ***2.12.7 Financial communication***

Witzenberg Municipality engages frequently with the public regarding its expenditure on projects, financial legislation, anti-fraud and corruption mechanisms, the bid and tender processes, through social media and printed collateral. The aim of financial communication is to create transparency regarding our expenditure and asset management. As a municipality our ultimate goal is to comply and, where possible, to exceed the audit standards set forth for local government and maintain our unqualified audit status. Due to the regulatory nature of financial management, Witzenberg Municipality aims to make this information freely available for the public to access as well as make use of language calibration to ensure that the information disseminated is simple and easily assimilated. Use of graphics and household comparisons are frequently used to illustrate technical information.

## ***2.12.8 Electronic communication***

Witzenberg Municipality performs media scanning of communication by following commonly used alerts, hash tags, bookmarks and words associated with our municipality on social media. This allows the municipality to bring important information to the attention of senior management and Council to address. It also aids with complaint management as it allows us to mitigate situations before they escalate. Social media is a cost effective resource used to convey information and is an effective method of relaying municipal communication as many residents are in possession of a cell phone. However, this mode of communication is labour intensive and does not have great penetration in our rural

environs. We also make use of text message communication to residents to convey urgent updates concerning power outages, water interruptions, road closures, dangerous weather conditions, municipal jamborees, etc. Witzenberg Municipality also uploads Council information, minutes of meetings and tender information onto our corporate website.

## **2.12.9 Interpersonal communication**

Witzenberg Municipality conducts internal communication with employees to promote and convey our organisational policies and procedures to staff through internal newsletters. This newsletter covers employee related information concerning long service awards, retirement, information regarding their salary structures and benefits, births, marriages, deaths, sporting achievements, training and educational accolades, health and safety, anti-fraud strategies and whistle blowing. The communication aimed at employees, carries a monthly theme concerning employee wellness to promote better health management and personal welfare. It is also a platform for senior management to engage with employees and relay important information.

## **2.12.10 Media communication**

Witzenberg Municipality creates, promotes and liaises with local and regional media regarding project and programme launches, milestones, municipal issues, local events. We also respond to media queries and requests for statements. All external communication is approved by the Municipal Manager as per his delegation; however, he may appoint spokespersons within the organisation at his discretion.

## **2.12.11 Communication and legislation**








Witzenberg Municipality liaises with the public regarding decisions by Council and Portfolio Committees with impact upon local regulations and by-law generation. The municipality often engages with the public for initial commentary and feedback to aid the municipality with their decision-making on issues highlighted by the public. The municipality also performs official communication to residents and businesses concerning contravention of established by-laws and regulations. The municipality always strives to be open, consistent and transparent regarding legal issues and aims to engage with the parties involved to ensure clarity, mutual understanding and respect of heritage, cultural and religious beliefs, as long as it does not infringe upon the rights of other residents.

## **2.12.12 Visual communication**

Witzenberg Municipality is in the process of developing policies to manage our visual usage and corporate identity. Visual communication is pivotal to our Communication Strategy as a large sector of our demography have poor literacy levels and relies upon visual communication to understand municipal messages. Visual communication is performed through the use of correspondence, branding, photographs, marketing collateral, videos, industrial theatre, animation and events. Municipal vehicles are branded with decal which identifies them as official conveyances and inspires trust with residents that the work being administered by employees or the information being disseminated by employees is accurate and reliable. It is for this reason that 'loud hailing' is an effective communication practice to relay urgent notifications to the public in our community.

## **2.12.13 Communication challenges**

The Witzenberg Municipality communicates regularly with its target public, but faces financial challenges which hamper the following areas of our communication initiatives:

-  Branding of assets, employees and infrastructure
-  Limited brand collateral available
-  Inability to perform outsourced media scanning
-  Development of our intranet
-  Poor network coverage due to the topography
-  Limited to no free Wi-Fi access
-  Access to better technology for our communication systems, brand development, feedback mechanisms and reporting

- 🍌 No access to communication or perception-specific research regarding language usage and message penetration

- 🍌 Neglect or exclude small pockets of the community which are located in remote, rural environs

Local government is frequently criticised on their lack of communication and engagement with the community, but although our municipality faces adversity, Witzenberg Municipality is successful in our good governance as we progress each year in this field, due to prioritising the needs of our all our residents; commercial, residential, rural and informal. Our communities are vocal and hold the municipality accountable for our performance and our areas for improvement in our departments. The reputation of the municipality is that we are approachable and accessible to the public and this is largely as a result of our frequent interaction with the public, addressing issues raised by the public, admitting fault, limitation where relevant and building a trust relationship with the public based upon reliability and quality services.

## 2.12.14 *Communication milestones*

Witzenberg Municipality conducted a Communications Audit during May and June 2017. This survey looked at various demographic profiles of various internal and external stakeholders, to sample and measure the knowledge of the Witzenberg Municipality brand, perceptions of service delivery, the level of satisfaction with services, rating of communication, suggestions for improvement and the most effective communication channel/s. The inputs derived from this survey will provide the base line for the review of the Communication Strategy 2013/2017.

## 2.13 DISCLOSURES OF FINANCIAL INTERESTS

Schedule 1, Section 7 as well as Schedule 2, Section 5A of the Municipal Systems Act states that when a councillor is elected or appointed or a person appointed in terms of section 56 or a municipal manager, he or she must within 60 days declare in writing to the municipal manager or the chairperson of the municipal council the following financial interests held:

- 🍌 shares and securities in any company;
- 🍌 membership of any close corporation;
- 🍌 interest in any trust;
- 🍌 directorships;
- 🍌 partnerships;
- 🍌 other financial interests in any business undertaking
- 🍌 employment and remuneration;
- 🍌 interest in property;
- 🍌 pension; and
- 🍌 subsidies, grants and sponsorships by any organisation.

Any change in the nature or detail of the financial interests of any councillor or official must be declared in writing to the municipal manager or to the chairperson of the municipal council annually. The municipal Council must determine which of the financial interests referred in the above-mentioned list must be made public, whilst balancing the need for confidentiality and disclosure in the public interest.

The following table lists the disclosure of financial interests of the administrative and strategic role players of the municipality which were deemed to be disclosed for public interest:

Disclosures of Financial Interests	
2016/17	
Name	Description of Financial interests*
Executive Mayor	

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Disclosures of Financial Interests		
2016/17		
Name	Description of Financial interests*	
Cllr BC Klaasen	Shares and securities in any	NASPERS and SASOL
	Directorships	Klaasen Incorporated
	Employment and Remuneration	Klaasen Incorporated
	Property	Residential (only 2)
Member of Mayoral Committee / Executive Committee		
Cllr K Adams	Pension	Consolidated Retirement Fund
Cllr T Godden	Pension	Consolidated Retirement Fund
Cllr TE Abrahams	Shares and securities in any	NASPERS and SASOL
	Close corporation	Trevor Farming CC
	Directorships	Breede Gouritz Catchment Management Agency
	Remuneration	Witzenberg Municipality & BGCMA
	Property	7 Fortuinstr, 1 Cloetestr Ceres
	Pension	Consolidated Retirement Fund
Ald HJ Smit	Pension	Consolidated Retirement Fund
Cllr JJ Visagie	Property	Residential
	Pension	Municipal Councillors Pension Fund
Cllr EM Sidego	Employment and Remuneration	Witzenberg Municipality
	Pension	CRF
Councillor		
Cllr M Mdala	Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr P Daniels	Membership of any close corporation	Avaxa514- Dormant
	Property	Residential (only 1)
Cllr S Hugo	Pension	Consolidated Retirement Fund
Ald J Schuurman	Pension	
Cllr GG Laban	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr Z Mzauziwa	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr TP Mgoboza	Employment and Remuneration	Witzenberg Municipality

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Disclosures of Financial Interests		
2016/17		
Name	Description of Financial interests*	
	Pension	Consolidated Retirement Fund
Cllr Kinnear	Employment and Remuneration	Witzenberg Municipality
	Pension	CRF & Telkom
	Property	Residential
Cllr DM Jacobs	Close corporation	Khayaletu; Abafazi; Eagle
	Directorships	Khayaletu; Abafazi; Eagle
	Property	Residential
	Pension	Consolidated Retirement Fund
Cllr C Lottering	Pension	Consolidated Retirement Fund
Cllr P Heradien	Pension	Consolidated Retirement Fund
Cllr N Phatsoane	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr H Visagie	Employment and Remuneration	Witzenberg Municipality
	Pension	Consolidated Retirement Fund
Cllr JT Phungula	Employment and Remuneration	Councillor at Witzenberg Municipality
	Property	Residential
	Pension	Consolidated Retirement Fund
Cllr RJ Simpson	Employment and Remuneration	Witzenberg Municipality
	Pension	Municipal Councillors Pension Fund
Cllr D Swart	Shares and securities in any company	Crispy Farming
	Employment and Remuneration	Councillor at Witzenberg Municipality
	Property	Residential
	Pension	Municipal Councillors Pension Fund
Chief Accounting Officer		
Mr D Nasson	Shares and securities in any company	Old Mutual
	IEC	Electoral Officer
Chief Financial Officer		
Mr HJ Kritzing	Property	Residential
Directors		

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Disclosures of Financial Interests		
2016/17		
Name	Description of Financial interests*	
Mr JF Barnard	Property	Residential (Small Holding); Farm
Mrs JS Krieger	Directorship and Partnerships	NAWA & Fikelelela Dikoporasi
Mr M Mpeluza	Property	Residential
<i>* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A</i>		








## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

### 3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

#### 3.1.1 Introduction








Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 2001. Regulation 7(1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management **policy framework** that was approved by Council on **13 December 2012**. A revision was submitted to Senior Management in May 2017 for discussion and tabling to Council in 2017/18.

The Top Layer SDBIP was approved by the Mayor on the **1<sup>st</sup> of June 2016**. Below are the considerations in the development of the Top Layer SDBIP:


-  Alignment with the IDP, National KPA’s, Municipal KPA’s and IDP objectives
-  Alignment with the budget
-  Oversight Committee Report on the Annual Report of 2015/16
-  The risks identified by the Internal Auditor during the municipal risk analysis
-  Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the audit

#### 3.1.2 Organisational Performance

The organisational performance is monitored and evaluated via the SDBIP. An operating procedure for the management and implementation of the SDBIP has been developed. The operating procedure was workshopped with the relevant KPI owners and senior management. The procedures can be summarised as follows:

-  The Performance Administrator informs the relevant KPI owners, senior management and departmental secretaries of the closure date to submit actuals achieved for the preceding month. The date varies, but is usually around the 10<sup>th</sup> of each month. By this date the managers must submit their actuals achieved on the performance web based system.
-  Proof of evidence is saved on the system.
-  A second date is indicated whereby senior management must verify the information submitted by the manager, as well as the proof of evidence that confirms the information submitted. Any interventions for under-performance and/or general comments should be included on the system. The second closure date is usually approximately 3 days after the first closure date.
-  After the second closure date the Performance Administrator generate reports for the relevant portfolio committees, as well as for each directorate. The senior managers sign each of his/her directorate reports as an indication that the information submitted has been verified and that proof of evidence does exist for the actual performance.
-  The relevant departmental secretary print the signed manager monthly report and save it on TRIM, the municipal document archiving system.
-  The monthly reports are then submitted for inclusion in the relevant Council Portfolio Committee.
-  The Performance Administrator generates an overall municipal report and submits it as the monthly SDBIP report to the Municipal Manager for submission to the Mayoral Committee.

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 The quarterly performance report is included in the Quarterly Budget Statement (Section 52d Report). The reports was tabled at Council as follows:







- 1<sup>st</sup> Quarterly Budget Statement 26 October 2016
- 2<sup>nd</sup> Quarter Section 72 Midyear report 25 January 2017
- 3<sup>rd</sup> Quarterly Budget Statement 30 May 2017

### 3.1.3 Individual Performance

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the Section 57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2016/17 financial year were signed on 27 July 2016, as prescribed.

The appraisal of the actual performance in terms of the signed agreements, takes place twice per annum as regulated. The mid-year performance of 2016/17 took place on 6 February 2017 and the final evaluation of the 2016/17 financial year will take place after the auditing of the 2016/17 Annual Performance Report and Annual Financial Statements.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805. The panel included the following people:

-  Executive Mayor
-  Portfolio Chairperson
-  Chairperson of the Performance, Risk and Audit Committee
-  Municipal Manager
-  Manager: Human Resources
-  Mr. D McThomas, Municipal Manager of Breede Valley Municipality, took part in the review of the Municipal Manager

### 3.1.4 The IDP and the Budget

The IDP for 2016/17 was reviewed and approved on 18 May 2016, whilst the budget for 2016/17 was approved by Council on the same day. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management, in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

### 3.1.5 Strategic Alignment

Municipal Key Performance Areas

Municipal Key Performance Area	Strategic Objective	
Essential Services	1.1	Sustainable provision and maintenance of basic infrastructure
	1.2	Provide for the needs of informal settlements through improved services
Governance	2.1	Support institutional transformation and development
	2.2	Ensure financial viability
	2.3	To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.
Communal Services	3.1	Provide and maintain facilities that make citizens feel at home
Socio-Economic Support Services	4.1	Support the poor and vulnerable through programmes & policy
	4.2	Create an enabling environment to attract investment and support to the local economy.

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## Performance indicators set in the approved Top Layer for 2016/17 per Strategic Objective

### 1.1) Sustainable provision and maintenance of basic infrastructure

Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL1	% Expenditure on Maintenance Budget by Technical Directorate	Percentage of budget spent.	All	98% /99%	25%	50%	75%	98%	98%
TL2	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	All	96%/98%	10%	40%	60%	95%	95%
TL3	Percentage compliance with drinking water quality standards.	Percentage compliance.	All	97%/100%	97%	97%	97%	97%	97%
TL4	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	<1%/0%	<1%	<1%	<1%	<1%	<1%
TL5	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	<1%/0%	<1%	<1%	<1%	<1%	<1%
TL6	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	<1%/0.04%	<1%	<1%	<1%	<1%	<1%
TL7	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	<1%/0%	<1%	<1%	<1%	<1%	<1%
TL8	Decrease unaccounted water losses.	Percentage water losses.	All	23%/16%	20%	20%	20%	20%	20%
TL9	Decrease unaccounted electricity losses.	Percentage electricity losses.	All	9%/8%	9%	9%	9%	9%	9%
TL10	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	9.41/10.15	0	0.5	1.5	2	2

### 1.2) Provide for the needs of informal settlements through improved services

Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL11	Number of subsidised serviced sites developed.	Number of serviced plots.	All	600/605	0	0	0	0	0
TL12	Provide basic services - number of informal areas	Number of informal areas.	All	3/3	3	3	3	3	3

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Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
	with sufficient communal water services points (taps).								
TL13	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	Number of informal areas.	All	3/3	3	3	3	3	3
TL14	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	Number of informal areas.	All	3/3	3	3	3	3	3
TL15	Number of subsidised electricity connections installed.	Number of connections.	All	158/140	0	50	150	200	200

## 2.1) Support institutional transformation and development

Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL16	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	All	99%/100%	25%	50%	75%	95%	95%
TL17	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	All	72%/74%	0	75%	0	75%	75%

## 2.2) Ensure financial viability

Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL18	Financial viability expressed as Debt-Coverage ratio	Ratio	All	16/35.9	16	16	16	16	16
TL19	Financial viability expressed as Cost-Coverage ratio	Ratio	All	1.6/3.6	1.6	1.6	1.6	1.6	1.6
TL20	Financial viability expressed outstanding service debtors	Ratio	All	44%/55%	44%	44%	44%	44%	44%
TL21	Opinion of the Auditor-General on annual financial statements of the previous year.	Opinion of AG - unqualified	All	1/1	0	0	1	0	1
TL22	Increased revenue collection	Percentage revenue collected.	All	96%/94%	95%	95%	95%	95%	95%
TL23	Percentage of budget spent on maintenance.	Percentage of budget spent.	All	98%/98.5%	25%	50%	75%	98%	98%

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Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL24	Percentage spent of capital budget.	Percentage of budget spent.	All	95%/97%	10%	40%	60%	95%	95%

- 2.3) To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.

Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL25	Number of IDP community meetings held.	Number of meetings held.	All	14/14	0	7	0	7	14
TL26	Number of meetings with inter-governmental partners.	Number of meetings held.	All	10/10	3	6	9	12	12

- 3.1) Provide and maintain facilities that make citizens feel at home

Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL27	Customer satisfaction survey (Score 1-5) - community facilities.	Score of survey.	All	4/2.3	0	0	0	2.5	2.5
TL28	% Expenditure on Maintenance Budget by Community Directorate	Percentage of budget spent.	All	98%/99%	25%	50%	75%	98%	98%
TL29	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	All	95%/83%	10%	40%	60%	95%	95%

- 4.1) Support the poor and vulnerable through programmes and policy

Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL30	Number of account holders subsidised through the municipality's indigent Policy	Number of account holders.	All	2 750/2 673	2 750	2 750	2 750	2 750	2 750
TL31	The number of jobs created through municipality's local economic development initiatives including capital projects.	Number of jobs created.	All	380/427	100	200	300	390	390
TL32	Number of social development programmes implemented	Number of programmes.	All	19/23	5	10	15	20	20
TL33	Number of housing opportunities provided	Number of top structures.	All	0/0	0	50	150	200	200

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Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
	per year.								
TL34	Number of Rental Stock transferred	Number of properties transferred.	All	55/45	10	30	40	60	60

4.2) Create an enabling environment to attract investment and support to the local economy.

Ref	KPI	Unit of Measurement	Wards	Target/Actual for 2015/16	Target for 2016/17				
					Q1	Q2	Q3	Q4	Annual
TL35	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Phased implementation	All	1/1	0	0	0	1	1
TL36	Compile & Implementation of LED Strategy	Phased implementation	All	1/1	0	0	0	1	1

## 3.1.6 Budget spending per IDP key performance area

The table below provides an analysis of the budget allocation and expenditure per Municipal Key Performance Area (Operational expenditure excludes internal transfers):

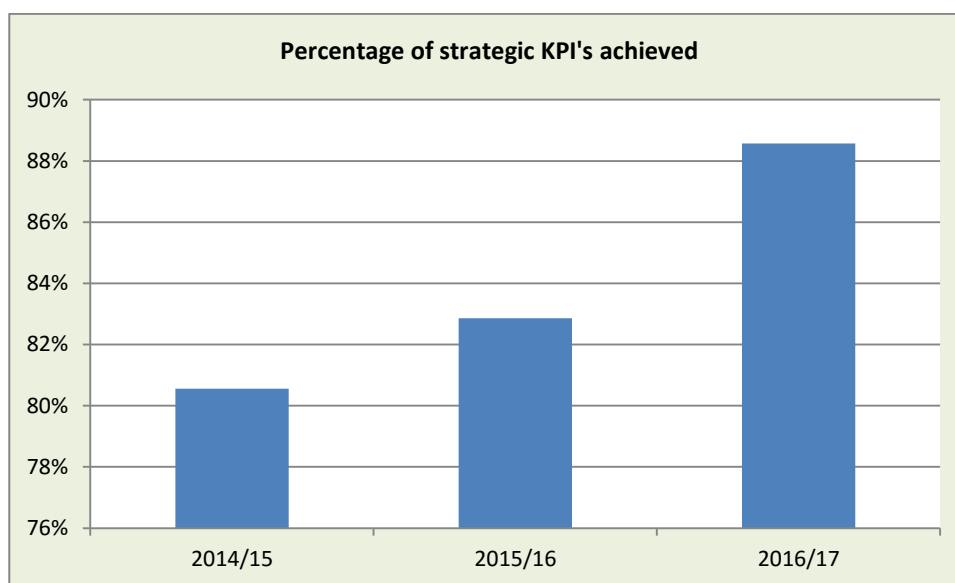
Municipal Key Performance Area	Adjusted Capital Budget	Actual Capital Expenditure for 2016/17	Operational Budget (Opex)	Actual Operating Expenditure for 2016/17
Essential Services	56 466 321	55 107 998	340 630 427	336 955 004
Governance	464 330	447 887	98 491 183	95 194 406
Communal Services	3 436 755	3 227 178	79 257 135	73 141 132
Socio-Economic Support Services	0	0	7 933 000	7 404 000
<b>Total</b>	<b>60 367 406</b>	<b>58 783 063</b>	<b>526 311 745</b>	<b>512 694 542</b>

## 3.1.7 Strategic Performance (Top Layer SDBIP) for 2016/17

Strategic performance of the municipality is measured in terms of the municipality's performance on its key performance indicators (KPI) set in the Top Layer SDBIP. For the 2016/17 year, 31 of the 35 KPI's measured were achieved.

The table below gives an indication of performance on strategic KPI's over the past three years:

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## Actual strategic performance (Top Layer) and corrective measures that will be implemented

### 1.3) Sustainable provision and maintenance of basic infrastructure

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17	
TL1	% Expenditure on Maintenance Budget by Technical Directorate	Percentage of budget spent.	All	99%	98%	99%	
TL2	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	All	98%	95%	98.3%	
TL3	Percentage compliance with drinking water quality standards.	Percentage compliance.	All	100%	97%	100%	
TL4	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	0%	<1%	0%	
TL5	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	0%	<1%	0%	
TL6	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	0,04%	<1%	0.05%	
TL7	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	0%	<1%	0%	
TL8	Decrease unaccounted water losses.	Percentage water losses.	All	16%	20%	19,4%	
TL9	Decrease unaccounted electricity losses.	Percentage electricity losses.	All	8%	9%	10%	
Reason for under-performance:							
The high theft of electricity is part of the high unaccounted losses, theft/illegal connections occurs mostly in N'Duli, Pine Valley and Chris Hani. (% unaccounted in some of these areas are 92% due to theft/illegal connections). Electrical network and equipment is very old, which							

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17
also creates high losses with limited funding to replace old network and equipment.						
Corrective measures: A service provider has been appointed to audit municipal bulk meters and Eskom has also been requested to submit proof that their bulk meters has been audited. A policy is being compiled to deal with theft and illegal connections.						
TL10	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	10.15	2km	10,7km
Reason for low target: The municipal Pavement Management System is out-dated and currently in process of being updated. The result being that officials has to revert to visual assessments that differs significantly in some cases with the PMS results and targets set from the PMS results. It should also be noted that a different type of paving has been implemented, Micro-pave, resulting in an increase of areas that can be resealed.						

## 1.4) Provide for the needs of informal settlements through improved services

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17
TL11	Number of subsidised serviced sites developed.	Number of serviced plots.	All	605	No target	No target
TL12	Provide basic services - number of informal areas with sufficient communal water services points (taps).	Number of informal areas.	All	3	3	3
TL13	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	Number of informal areas.	All	3	3	3
TL14	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	Number of informal areas.	All	3	3	3
TL15	Number of subsidised electricity connections installed.	Number of connections.	All	140	200	94
Reason for under-performance: Connections can only be done after the beneficiaries has been identified and in process of occupation. Although 200 houses was practical complete by reporting date, some connections were still outstanding. The delay in identification of beneficiaries and official hand-over of houses was due to vandalism to some completed houses and disagreement on the beneficiary list.						
Corrective measures: Expedite handover of houses for connections to be done.						

## 2.1) Support Institutional transformation and development

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17
TL16	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	All	100%	95%	98%
TL17	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	All	74%	75%	75%



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## 2.2) Ensure financial viability

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17	
TL18	Financial viability expressed as Debt-Coverage ratio	Ratio	All	35.9	16	39.7	
TL19	Financial viability expressed as Cost-Coverage ratio	Ratio	All	3.6	1.6	2.4	
TL20	Financial viability expressed outstanding service debtors	Ratio	All	48%	44%	54%	
Reason for under-performance: Credit control measures are limited in areas where electricity is supplied by Eskom. This concern has been addressed by SALGA but no workable solution has been reached to date. An additional contributing factor to the none achievement of the KPI is due to limited applications for indigent support within these areas.							
Corrective measures: Implementation of water management meters to limit water consumption and to address the non-payment for the water service.							
TL21	Opinion of the Auditor-General on annual financial statements of the previous year.	Opinion of AG - unqualified	All	1	1	1	
TL22	Increased revenue collection	Percentage revenue collected.	All	94%	95%	95%	
TL23	Percentage of budget spent on overall maintenance.	Percentage of budget spent.	All	98.5%	98%	99%	
TL24	Percentage spent of overall capital budget.	Percentage of budget spent.	All	97%	95%	97,4%	

## 2.3) To maintain and strengthen relations with international- and inter-governmental partners as well as the local community through the creation of participative structures.

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17	
TL25	Number of IDP community meetings held.	Number of meetings held.	All	14	14	14	
TL26	Number of meetings with inter-governmental partners.	Number of meetings held.	All	10	12	12	

## 3.1) Provide and maintain facilities that make citizens feel at home

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17	
TL27	Customer satisfaction survey (Score 1-5) - community facilities.	Score of survey.	All	2.3	2.5	2.2	
Reason for under-performance: Results point at a poor perception from communities on especially parks and sports fields from areas that include informal settlements that usually do not have sufficient space for the development of these facilities. It should also be noted that both the target and actual achievement falls under the "Fair" range of perception.							
Corrective measures: The development of parks & sports facilities is included in the planning and upgrading of informal areas as according to the Housing Plan.							
TL28	% Expenditure on Maintenance	Percentage of	All	99% of the operational	98%	99,9%	

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17
	Budget by Community Directorate	budget spent.		budget spent		
TL29	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	All	83%	95%	96,1%

## 4.1) Support the poor and vulnerable through programmes and policy

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17
TL30	Number of account holders subsidised through the municipality's indigent Policy	Number of account holders.	All	2 673	2 750	2 521
TL31	The number of jobs created through municipality's local economic development initiatives including capital projects.	Number of jobs created.	All	427	390	398
TL32	Number of social development programmes implemented	Number of programmes.	All	23	20	22
TL33	Number of housing opportunities provided per year.	Number of top structures.	All	No target	200	200
TL34	Number of Rental Stock transferred	Number of properties transferred.	All	45	60	65

## 4.2) Create an enabling environment to attract investment and support to the local economy.

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target for 2016/17	Overall actual performance for 2016/17
TL35	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Phased implementation	All	1	1	1
TL36	Compile & Implementation of LED Strategy	Phased implementation	All	1	1	1

### 3.1.8 5 Year corporate scorecard: Development and service delivery priorities

The main development and service delivery priorities for 2016/17 forms part of the Municipality's 5 Year Corporate Scorecard and are indicated in the table below:

Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21
Essential Services	Sustainable provision & maintenance of basic infrastructure	TL1	% Expenditure on Maintenance Budget by Technical Directorate	99%	98%	99%	99%	99%	99%

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Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21
		TL2	% Expenditure on Capital Budget by Technical Directorate	98%	95%	96%	96%	97%	97%
		TL3	Percentage compliance with drinking water quality standards.	100%	97%	98%	98%	98%	98%
		TL4	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	0%	<1%	<1%	<1%	<1%	<1%
		TL5	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	0%	<1%	<1%	<1%	<1%	<1%
		TL6	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	0,04%	<1%	<1%	<1%	<1%	<1%
		TL7	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	0%	<1%	<1%	<1%	<1%	<1%
		TL8	Decrease unaccounted water losses.	16%	20%	18%	16%	14%	14%
		TL9	Decrease unaccounted electricity losses.	8%	9%	8%	8%	8%	8%
		TL10	Kilometres of roads upgraded & rehabilitated	10.15	2	3	3	3	4
	Provide for the needs of informal settlements through improved services	TL11	Number of subsidised serviced sites developed.	605	No target	No target	150	150	150
		TL12	Provide basic services - number of informal areas with sufficient communal water	3	3	3	3	2	2

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Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21
			services points (taps).						
		TL13	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	3	3	3	3	2	2
		TL14	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	3	3	3	3	2	2
		TL15	Number of subsidised electricity connections installed.	140	200	225	200	200	200
Governance	Support Institutional Transformation & Development	TL16	Percentage budget spent on implementation of Workplace Skills Plan.	100%	95%	96%	97%	98%	99%
		TL17	Percentage of people from employment equity target groups employed in the three highest levels of management in	74%	75%	75%	80%	80%	85%
	Ensure financial viability.	TL18	Financial viability expressed as Debt-Coverage ratio	35.9	16	16	16	16	16
		TL19	Financial viability expressed as Cost-Coverage ratio	3.6	1.6	1.6	1.6	1.6	1.6
		TL20	Financial viability expressed outstanding service debtors	55%	44%	42%	42%	42%	40%
		TL21	Opinion of the Auditor-General on annual financial statements of the previous year.	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
		TL22	Increased revenue	94%	95%	95%	96%	96%	97%

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Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21
			collection						
		TL23	Percentage of budget spent on maintenance.	99%	98%	99%	99%	99%	99%
		TL24	Percentage spent of capital budget.	97%	95%	95%	96%	96%	97%
	To maintain and strengthen relations with international & inter-governmental partners as well as the local community through the creation of participative structures.	TL25	Number of IDP community meetings held.	14	14	14	14	14	14
		TL26	Number of meetings with inter-governmental partners.	10	12	12	12	12	12
Communal Services	Provide & maintain facilities that make citizens feel at home.	TL27	Customer satisfaction survey (Score 1-5) - community facilities.	2.3	2.5	2.5	3	3	4
		TL28	% Expenditure on Maintenance Budget by Community Directorate	100%	98%	99%	99%	99%	99%
		TL29	% Expenditure on Capital Budget by Community Directorate	84%	95%	96%	96%	97%	97%
Socio-Economic Support Services	Support the poor & vulnerable through programmes & policy	TL30	Number of account holders subsidised through the municipality's indigent Policy	2 673	2 750	2 750	2 700	2 700	2 500
		TL31	The number of jobs created through municipality's local economic development initiatives including capital projects.	427	390	390	400	400	400
		TL32	Number of social development programmes implemented	23	20	20	20	20	20
		TL33	Number of housing opportunities provided per year.	No target	200	225	200	200	200
		TL34	Number of Rental Stock transferred	45	60	70	80	90	100

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Municipal KPA	Pre-determined objectives	Ref	Key Performance Indicator	Baseline 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21
	Create an enabling environment to attract investment & support local economy.	TL35	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Phase 2 implement	Phase 3 implement	Phase 4 implement	Phase 5 implement	Phase 6 implement	Review of plan
		TL36	Compile & Implement of LED Strategy	Phase 1 implement	Phase 2 implement	Review of plan	Phase 1 implement	Phase 2 implement	Review of plan

## 3.1.9 Overview of performance per ward

### Ward 1 & 12: N'Duli

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	New N'Duli reservoir	Nov 2016	Jan 2018	13 288 150
<i>The above analysis include only the largest capital project of the ward</i>				

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal households	1 116	1 114	1 705	1 110	
Informal households	1 096	1 096		1 096	
<b>Total Households*</b>	<b>2 212</b>	<b>2 210</b>	<b>1 705</b>	<b>2 206</b>	
Houses completed in year					0
Shortfall in Housing units					1 848
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					
Top Four Service Delivery Priorities for Ward					
No.	Priority Name and Detail		Progress During 2016/17		
1	Sewer network		Periodic maintenance		
2	Street/flood lights and electrical failure due to illegal connections		Illegal connections remain high priority to be addressed		

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Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
3	Ablution facilities for informal areas		Periodic maintenance		
4	Housing need		605 Serviced sites developed at Vredebes in 2015/16		

## Ward 3 & 5: Ceres

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	Pine Forest fencing & laminated flooring	March 2017	June 2017	1 200 573
2	Bulk sanitation for Vredebes	June 2016	January 2017	8 121 764
3	Vredebes Access Collector Ph1	March 2017	Sept 2017	5 700 000
4	Upgrade Die Eiland swimming pool	March 2017	June 2017	624 000
<i>The above analysis include only the largest capital project of the ward</i>				

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal households	2 394	2 472	3 475	2 686	
Informal households					
<b>Total Households*</b>	<b>2 394</b>	<b>2 472</b>	<b>3 475</b>	<b>2 686</b>	
Houses completed in year					
Shortfall in Housing units (include Ceres & Bella Vista)					2 767
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					
Top Four Service Delivery Priorities for Ward					
No.	Priority Name and Detail	Progress During 2016/17			
1	Playgrounds	Borehole for park irrigation			
2	Closing off of Bassonsloot	Budgeted for completion			
3	Rotational skip removal	New Waste Management Policy to be tabled			
4	Housing need	605 Serviced sites developed at Vredebes			

## Ward 4 & 6: Bella Vista

Capital Projects
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No.	Project Name and detail	Start Date	End Date	Total Value R
1	New electrical network and streetlights for housing project	May 2016	May 2017	3 400 000
2	Bulk sewer upgrade	April 2016	Sept 2016	7 800 000
3	New Bella Vista reservoir	Nov 2016	Nov 2017	7 586 000
<i>The above analysis include only the largest capital project of the ward</i>				

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal households	2 373	2 366	2 376	2 361	
Informal households					
Total Households*	2 373	2 366	2 376	2 361	
Houses completed in year					200
Shortfall in Housing units (included under Ceres)					
*Formal households calculated based on accounts issued (excluding informal households which is actual households)					

Top Four Service Delivery Priorities for Ward		
No.	Priority Name and Detail	Progress During 2016/17
1	Business hub/mini CBD for Bella Vista	Discussions with Rural Development for funding
2	Clamp down on illegal dumping of refuse.	New Waste Management Policy to be tabled
3	Off-ramp lanes at Bella Vista entrances	Traffic study underway.
4	Housing need	Development at Vredebes

## Ward 4 & 10: Prince Alfred's Hamlet

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	Streetlights in Phase 5 & 6	August 2016	February 2017	230 000
<i>The above analysis include only the largest capital project of the ward</i>				

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal households	1 222	1 197	Eskom	1 081	



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Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Informal households					
<b>Total Households*</b>	<b>1 222</b>	<b>1 197</b>	<b>Eskom</b>	<b>1 081</b>	
Houses completed in year					
Shortfall in Housing units					1 586
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					

Top Four Service Delivery Priorities for Ward		
No.	Priority Name and Detail	Progress During 2016/17
1	Not all dwellings connected to main sewer line	Rest of Kliprug to be connected in 17/18, investigation for rest.
2	Effective placement of skips	New Waste Management Policy to be tabled
3	Better controlled refuse removal in Phases areas	New Waste Management Policy to be tabled
4	Housing need	Development at Vredebes

## Ward 9: Op-Die-Berg

Capital Projects				
No.	Project Name and detail	Start Date	End Date	Total Value R
1	New Mobile Library	October 2016	May 2017	515 466
2	Upgrading of Community Hall	October 2016	May 2017	678 626
<i>The above analysis include only the largest capital projects of the ward</i>				

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal households	542	521	Eskom	542	
Informal households					
<b>Total Households*</b>	<b>542</b>	<b>521</b>	<b>Eskom</b>	<b>542</b>	
Houses completed in year					
Shortfall in Housing units					1 028
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					

Top Four Service Delivery Priorities for Ward		
No.	Priority Name and Detail	Progress During 2016/17

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Top Four Service Delivery Priorities for Ward		
No.	Priority Name and Detail	Progress During 2016/17
1	The location public ablutions facilities in the CBD area	Investigate with costing in 2017/18
2	Illegal house shops, need to be regulated	Continued law enforcement & inspections
3	Illegal shebeens need to be closed	Continued law enforcement & inspections
4	Speed calming still a problem	Increased law enforcement

## Ward 7 & 11: Tulbagh

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal households	1 817	1 925	2 227	1 835	
Informal households	792	792		792	
<b>Total Households*</b>	<b>2 609</b>	<b>2 717</b>	<b>2 227</b>	<b>2 627</b>	
Houses completed in year					
Shortfall in Housing units					1 620
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					
Top Four Service Delivery Priorities for Ward					
No.	Priority Name and Detail	Progress During 2016/17			
1	Illegal house shops, need to be regulated	Continued law enforcement & inspections			
2	Illegal shebeens need to be closed	Continued law enforcement & inspections			
3	Storm water network in Tulbagh needs to be maintained regularly	Periodic maintenance			
4	Sewerage network in Chris Hani area needs to be maintained regularly	Periodic maintenance			

## Ward 2 & 7: Wolseley

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Formal households	2 552	2 659	2 760	2 619	
Informal households	312	312		312	
<b>Total Households*</b>	<b>2 207</b>	<b>2 227</b>	<b>1 705</b>	<b>2 207</b>	
Houses completed in year					
Shortfall in Housing units					1 887
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>					

Top Four Service Delivery Priorities for Ward (Highest Priority First)
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No.	Priority Name and Detail	Progress During 2016/17
1	Replacement and maintenance of roads	Periodic maintenance
2	Small-scale farmers need land for their animals	Rural Development and Department of Agriculture in process to investigate suitable land availability.
3	Secure fencing at the graveyard	Budgeted for in 2017/18
4	Illegal shebeens need to be closed	Continued law enforcement and inspections

## 3.1.10 Service providers strategic performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- 🍎 means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community
- 🍎 External service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- 🍎 Service delivery agreement means 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 that institution or person, either for its own account or on behalf of the municipality

During the year under review, the municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and thus, this report contains no information in this regard. All other contract appointments are regularly monitored in terms of Section 51(3) of the Supply Chain Management Policy which stipulates that vendor performance must be monitored as follows:

- 🍎 Each project manager shall monitor the supplier's compliance and performance to the set of specifications.
- 🍎 If the supplier fails to perform in accordance with the specification requirements, the project manager must report such failure to the supplier in writing immediately upon becoming aware of such non-compliance for them to correct the situation.

The above information will be kept and made available for future evaluation purposes, contract negotiations and regular feedback to vendors.

If vendors fail to deliver in terms of paragraph 23(1)(a) of the General conditions of the contract, the municipality reserves the right to make use of remedies at its disposal in terms of applicable law.

## 3.1.11 Municipal functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No (support)
Electricity and gas reticulation	Yes

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Municipal Function	Municipal Function: Yes / No
Fire fighting services	Yes
Local tourism	No (support)
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No (only planning & operating licenses)
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes

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Municipal Function	Municipal Function: Yes / No
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

## COMPONENT A: BASIC SERVICES

## 3.2 WATER SERVICES

### 3.2.1 Introduction

All the towns in the Witzenberg municipal area are equipped with independent water services with their own resources, distribution systems and treatment works.

#### Ceres

The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply. Water quality from the Koekedouw is good and it is only chlorinated before distribution. Two reservoirs (3 and 5 MI) serve as storage reservoirs to the 114km distribution network, with 4 supply zones (Bella Vista, N'Duli, Ceres main supply zone and Ceres central PRV zone). The network includes a 2 MI service reservoir, a booster pump station to the pressure tower at Bella Vista, as well as a 750 kl service reservoir and booster pump station at N'Duli. The new storage reservoir will be constructed in N'Duli in the 2016/17 financial year to secure adequate storage and supply to Vredebes.

#### Tulbagh

Currently, Klein Berg, Moordenaarskloof and Tierkloof serve as the main sources of water supply to Tulbagh. Construction has been completed to provide an additional supply of  $1.2 \times 10^6 \text{ m}^3/\text{annum}$  from the Klein Berg River. The project will also include a storage dam with a capacity of approximately 1 200 000 m<sup>3</sup>. Funding applications has been approved by the Department of Water and Sanitation (DWS) for the construction of the dam. One borehole at Kruysvallei serves as a back-up emergency supply to Tulbagh. Moordenaarskloof is commonly used with two other users (SAPCO & Kruysvallei). During 2006 two additional sources, the Schalkenbosch tributaries and Skilpadrug, were also identified as possible future sources of supply. Infrastructure to partially link Schalkenbosch with the water supply network, was implemented in 2007 after an agreement was reached with the owner concerning the management of this source. Funding applications have been submitted to the DWS to complete these projects, but the agreement remains a major challenge. All the water is stored in a 570 MI raw water dam at present.

The purification plant consists of five slow gravity sand filters, as well as a chlorination system. Funding was also secured to upgrade the existing purification plant to deal with the additional water expected from the Kleinberg River at the end of 2012. This project is complete and the filters and chlorination system is operational. Two reservoirs (800 kl and 1 MI) serve as a clear water storage reservoir to the 29km distribution network, with 2 pressure zones. The network includes a booster pump station to the pressure tower (500 kl). A new reservoir for extra storage capacity is planned for construction at a later stage.

#### Wolseley

Wolseley receives its water supply from the Tierkloof weir. Purification consists of pressure filters and chlorination. The Ceres Road Reservoir (680 kl) and the newly constructed 6 MI Wolseley Reservoir serves as a storage reservoir to the 44km distribution network, with two pressure zones. The network includes a 4.5 MI services reservoir (Stamper Street Reservoir), which has been resealed to prevent losses, and a booster pump station. An additional pump station with a capacity of 58 l/s was completed during 2010/11 to enable the transfer of "lei" water during periods of low flow, from the Artois Canal to this reservoir. The project also allows for treatment at the reservoir.

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## Prince Alfred's Hamlet

Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River Weir, a fountain, 1 borehole and a supply line from the Koekedouw Dam. Due to the quality of the raw water, only chlorination is required. Four 500 kl reservoirs serve as storage reservoirs to the 32km distribution network, with only 1 pressure zone.

## Op-die-Berg

Op-die-Berg has three water sources, a fountain and 2 boreholes. Due to the quality of the water, only chlorination is required. A 50kl, 60kl and 500kl reservoir serve as storage reservoirs to the 6km distribution network, with only 1 pressure zone. The new storage reservoir is planned for Op-die-Berg to ensure adequate storage capacity, as well as meeting the peak demands of the town.

All drinking water systems located in the towns within Witzenberg have attained Blue Drop status and have also scored nationally in the top ten rankings.

### 3.2.2 Highlights

Highlights	Description
Upgrading & replacement of infrastructure	Upgrading of bulk supply pipelines. Replacement of various pipe networks, and valves. Meter replacement program.

### 3.2.3 Challenges

Challenges	Description
Personnel shortage	Number of vacant positions
Budget	Limited budget for infrastructure refurbishment, upgrade and replacement of vehicles and out-dated equipment.

### 3.2.4 Water service delivery levels

#### Total use of water by sector (cubic meters)

Year	All	Unaccountable water losses	Percentage losses
	Cubic meters		
2014/15	7 079 144	1 463 304	20.7%
2015/16	6 088 276	962 345	16%
2016/17	6 508 218	1 259 772	19.36%

Water losses increased from 962 345 (16%) in the 2015/16 financial year to 19.36% in the 2016/17 financial year and this volume remains within the target set for the financial year. Management processes are, however, on-going to reduce the rate of water losses even further.

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The table below specifies the different water service delivery levels per household for the financial years 2014/15, 2015/16 and 2016/17: Note that the “piped water inside dwelling” figure constitutes the number of accounts and is not a true reflection of the number of households. Other figures represent households. These figures exclude rural areas.

Description	2014/15	2015/16	2016/17
	Actual	Actual	Actual
<b>Household</b>			
<b><u>Water: (above minimum level)</u></b>			
Piped water inside dwelling (accounts)	11 960	11 988	12 016
Piped water inside yard (but not in dwelling) (accounts)	242	400	
Using public tap (within 200m from dwelling ) (households)	2 099	1 941	2 226
Other water supply (within 200m)	0	0	0
<b>Minimum Service Level and Above Sub-total</b>	<b>14 301</b>	<b>14 329</b>	<b>14 242</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b><u>Water: (below minimum level)</u></b>			
Using public tap (more than 200m from dwelling)	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0
No water supply	0	0	0
<b>Below Minimum Service Level Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households (formal and informal)</b>	<b>14 301</b>	<b>14 329</b>	<b>14 242</b>
<i>*Formal households calculated based on accounts issued (excluding informal households which is actual households)</i>			

## 3.2.5 Service delivery indicators: Water services

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL3	Sustainable provision & maintenance of basic infrastructure	Percentage compliance with drinking water quality standards	Percentage compliance	100%	97%	100%	
TL4		Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	0%	<1%	0%	
TL8		Decrease unaccounted water losses	Percentage water losses	16%	20%	19,4%	
TL12	Provide for the needs of informal	Provide basic services - number	Number of informal areas	3	3	3	



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Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
	settlements through improved services	of informal areas with sufficient communal water services points (taps)					

## 3.2.6 Employees: Water services

Employees: Water Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
0 - 3	31	23	0
4 - 6	2	7	0
7 - 9	16	10	2
10 - 12	2	2	0
13 - 15	1	1	0
<b>Total</b>	<b>52</b>	<b>43</b>	<b>2</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.2.7 Capital expenditure: Water services

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>R</b>					
Infrastructure Management System	300 000	300 000	300 000	0	300 000
Vredebes Bulk Water Supply	3 000 000	6 971 236	6 970 638	(598)	13 288 150
Drought Relief (AFF)		981 801	981 800	(1)	981 800
Drought Relief (DPLG)	2 400 000	1 650 000	1 638 293	(11 707)	1 638 293
Drought Support (MISG)		1 754 386	1 186 502	(567 884)	1 754 386
Bella Vista Bulk Water	4 483 400	5 325 642	5 325 642	0	7 586 000
Network water pipes & valves	300 000	1 859 497	1 859 497	0	1 859 497

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Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Boreholes		210 000	0	(210 000)	210 000
<b>Total all</b>	<b>10 483 400</b>	<b>19 052 562</b>	<b>18 262 372</b>	<b>(790 190)</b>	<b>27 618 126</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## 3.3 WASTE WATER (SANITATION) SERVICES

### 3.3.1 Introduction

#### Ceres

Sewerage and industrial effluent is collected from consumers via a sewerage system which is treated at the Ceres Wastewater Treatment Plant. The Plant services the areas of Ceres, N'Duli, Bella Vista and Prince Alfred's Hamlet. The sewerage system includes 9 booster pump stations. A portion of the treated effluent is used for irrigation on communal land, sport fields and the golf course.

#### Tulbagh

Sewerage is collected from consumers via a sewerage system and treated at the Tulbagh Waste Water Treatment Plant. The sewerage system includes 3 booster pump stations. Mechanical upgrades to the plant have been completed to ensure that the plant performs at an optimum level and to ensure compliance with national standards. Treated effluent is partially discharged to a river, under an existing licence and the rest is used for irrigation in Church Street and local sport fields.

#### Wolseley

Sewerage is collected from consumers via a sewerage system and treated at the Wolseley Waste Water Treatment Plant. The sewerage system includes 6 booster pump stations. Upgrades to the plant has been completed to ensure adequate capacity as well as efficient and effective treatment of the waste water. The Pittebos PS which was vandalised, is also fully re-constructed and is currently operational.

#### PA Hamlet

A significant volume of sewerage generated at Prince Alfred's Hamlet is pumped for treatment to the Waste Water Treatment Works (WWTW) in Ceres. Two pump stations are used for this purpose. A number of ervens still use private septic tank systems to deal with the sewerage. These septic tanks are emptied by the municipality on request.

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## Op-die-Berg

75% of the consumers are connected to a sewerage network and treated at the WWTW. The rest are managed through private septic tanks. Septic tanks are emptied by the municipality on request. Upgrades to the WWTW has been completed in order to ensure adequate capacity, as well as efficient and effective treatment of the waste water.

All the towns within Witzenberg have attained Green Drop status and have also scored nationally within in the top ten rankings.

### 3.3.2 Highlights

Highlights	Description
Infrastructure	Successful completion of various infrastructure projects including services for Bella Vista and Vredebes housing projects Refurbishment of Pittebos PS. Replacement of various sewer networks within Witzenberg. Phase 2 of Vredebes sewer

### 3.3.3 Challenges

Challenges	Description
Personnel shortage	Number of vacant positions
Budget	Limited budget for infrastructure refurbishment, upgrade and replacement of vehicles and out-dated equipment.

### 3.3.4 Waste Water (Sanitation) service delivery levels

The table below specifies the different sanitation service delivery levels per households for the financial years 2014/15, 2015/16 and 2016/17: Note that the “flushed toilet” figure constitutes the number of accounts and is not a true reflection of the number of households. Other figures represent households. These figures exclude rural areas.

Description	2014/15	2015/16	2016/17
	Actual	Actual	Actual
<b>Household</b>			
<b><u>Sanitation: (above minimum level)</u></b>			
Flush toilet (connected to sewerage) (accounts)	11 514	11 530	11 537
Flush toilet (with septic tank) (nr. of erven)	717	717	717
Chemical toilet	50	54	71
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above minimum service level) (households)	2 099 (informal areas)	2 257 (informal)	2 226 (informal)

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Description	2014/15	2015/16	2016/17
	Actual	Actual	Actual
<b>Household</b>			
		areas)	areas)
<b>Minimum Service Level and Above Sub-total</b>	<b>14 380</b>	<b>14 558</b>	<b>14 551</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Sanitation: (below minimum level)</b>			
Bucket toilet	0	0	0
Other toilet provisions (below minimum service level)	0	0	0
No toilet provisions	0	0	0
<b>Below Minimum Service Level Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households (formal and informal)</b>	<b>14 380</b>	<b>14 558</b>	<b>14 551</b>
<i>*Formal households calculated based on accounts issued (including serviced sites but excluding informal households which is actual households)</i>			

## 3.3.5 Service delivery indicators: Waste Water (Sanitation) services

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL5	Sustainable provision & maintenance of basic infrastructure	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	0%	<1%	0%	
TL13	Provide for the needs of informal settlements through improved services	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets)	Number of informal areas	3	3	3	

## 3.3.6 Capital expenditure: Waste Water (Sanitation) services

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					

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Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Bella Vista Bulk Sewer	6 355 197	1 861 781	2 053 138	191 357	7 800 000
Vehicle replacement	1 200 000	1 200 000	1 124 277	(75 723)	1 124 277
Sewer pumps replacement	300 000	300 000	299 531	(469)	299 531
Vredebes Bulk Sanitation	12 466 615	8 162 573	8 121 764	(40 809)	8 121 764
Network: Sewer pipe & Valve Replacement	722 500	1 069 50	899 740	(169 760)	899 740
<b>Total all</b>	<b>21 044 312</b>	<b>12 593 854</b>	<b>12 498 450</b>	<b>(95 404)</b>	<b>18 245 312</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## 3.4 ELECTRICITY

### 3.4.1 Introduction

The National Energy Regulator (NERSA) was established to be the custodian and enforcer of the National Electricity Regulatory Framework. NERSA provides the framework for licenses, power generation, transmission, distribution and trading in South Africa.

The upgrading and provision of bulk infrastructure is mainly guided by the implementation of low-cost and private developments and industry.

All erven within the boundaries of Witzenberg Municipality has access to electricity. ESKOM supplies electricity to Op-die-Berg, Prince Alfred Hamlet and the rural areas inclusive of the adjacent low cost housing. The municipality has a license to reticulate electricity to all other developed areas.

All qualifying and identified indigent households receive free basic water and electricity as per national government policy. However, servicing informal settlements with electricity is a continuous struggle.

The Electricity Master Plan for Ceres, Wolseley and Tulbagh was developed in 2011 and the process of upgrading the Master Plan is currently underway.

Local government plays an integral role in the provision of electricity. Section 153 of the Constitution, places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

### 3.4.2 Highlights

Highlights	Description
Bulk electrical supply	Bulk supply to Bella Vista & Schoonvlei completed with the upgrading of Panorama Sub switchgear and the establishment of the new Vredebes substation.

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Highlights	Description
Electrical network – Bella Vista	Completion of 100 connections to the RDP housing project

## 3.4.3 Challenges

Challenges	Description
Eskom unable to increase Notified Maximum Demand	Regular interactions with Eskom to speed up their bulk upgrades. Renewable energy policy approved by Council to assist with the demand shortage.
Availability of vehicles	An aging fleet results in some vehicles spending extended periods in the workshop. Spares availability and reliability is an added extenuating challenge
Filling of vacant posts	Some posts remain vacant for extended periods before filling, but this is currently being addressed
Aging Electrical Network	Much of the existing electrical network exceeds its useful life and is even considered hazardous to operate in some instances
Recapitalization of the Electrical Network	Available funding to replace aging equipment is always a challenge within the Municipal environment, but with heightened awareness, this will be addressed

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Ceres	34.8MVa	0.8	36,9MVa
Wolseley	4.5	4.5	4,5
Tulbagh	3.5	3.5	3,5

The energy losses for the 2014/15 financial year was 8.59% whilst the losses in the 2015/16 financial year was 8.19%. The losses increased by 10% in 2016/17, but is still managed within the national benchmark of 10%. Management processes are, however, on-going to reduce the rate of losses even further.

## 3.4.4 Electricity service delivery levels

Description	2014/15	2015/16	2016/17
	Actual	Actual	Actual
<b>Household</b>			
<b><u>Energy: (above minimum level)</u></b>			
Electricity (at least minimum service level - accounts)	2 964	2 987	2 366
Electricity - prepaid (minimum service level)	9 766	9 906	10 177
<b>Minimum Service Level and Above Sub-total</b>	<b>12 730</b>	<b>12 893</b>	<b>12 543</b>
<b>Minimum Service Level and Above Percentage</b>	<b>99.9%</b>	<b>99.9%</b>	<b>100%</b>
<b><u>Energy: (below minimum level)</u></b>			
Electricity (< minimum service level)	0	0	0
Electricity - prepaid (< min. service level)	0	0	0

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Description	2014/15	2015/16	2016/17
	Actual	Actual	Actual
<b>Household</b>			
Other energy sources	8	8	0
<b>Below Minimum Service Level Sub-total</b>	<b>8</b>	<b>8</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0%</b>
<b>Total number of households (formal and informal)</b>	<b>12 738</b>	<b>12 901</b>	<b>14 013</b>
<i>*The below minimum service level cannot be determined as the number of pre-paid meters installed in informal areas is unknown. Therefore it cannot be determined the number of households in informal areas without electricity. Dept. of Energy does not fund these connections if households are not on a formalised plot.</i>			

## 3.4.5 Service delivery indicators: Electricity services

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL6	Sustainable provision & maintenance of basic infrastructure	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	0%	<1%	0.05%	
TL9		Decrease unaccounted electricity losses	Percentage electricity losses	8%	9%	10%	
Reason for under-performance: The high theft of electricity is part of the high unaccounted losses, theft/illegal connections occurs mostly in N'Duli, Pine Valley and Chris Hani. (% unaccounted in some of these areas are 92% due to theft/illegal connections.. Electrical network and equipment is very old, which also creates high losses with limited funding to replace old network and equipment.							
Corrective measures: A service provider has been appointed to audit municipal bulk meters and Eskom has also been requested to submit proof that their bulk meters has been audited. A policy is being compiled to deal with theft and illegal connections.							
TL15	Provide for the needs of informal settlements through improved services	Number of subsidised electricity connections installed	Number of connections	140	200	94	
Reason for under-performance: Connections can only be done after the beneficiaries has been identified and in process of occupation. Although 200 houses was practical complete by reporting date, some connections were still outstanding.							
Corrective measures: Expedite handover of houses for connections to be done.							

## 3.4.6 Employees: Electricity

Employees: Electricity Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.

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Employees: Electricity Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
0 - 3	26	11	4
4 - 6	3	4	0
7 - 9	2	4	1
10 - 12	7	7	1
13 - 15	0	0	1
16 - 18	0	1	0
<b>Total</b>	<b>38</b>	<b>27</b>	<b>7</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.4.7 Capital expenditure: Electricity services

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Network Housing projects	5 000 000	5 000 000	4 818 904	(181 096)	4 818 904
Streetlights Housing projects	1 300 000	1 273 138	1 116 706	(156 432)	1 116 706
Electrical network refurbishment	900 000	670 000	669 775	(225)	669 775
<b>Total all</b>	<b>7 200 000</b>	<b>6 943 138</b>	<b>6 605 385</b>	<b>(337 753)</b>	<b>6 605 385</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## 3.5 WASTE MANAGEMENT (COLLECTION, DISPOSAL & CLEANING)

### 3.5.1 Introduction





The Witzenberg Integrated Waste Management Plan is a statutory requirement of the New National Environmental Management: Waste Act 2008 (Act No. 59 of 2008) which came into effect on 1 July 2009. This Act aims to transform waste management collection and disposal to a sustainable practice focusing on waste avoidance and environmental sustainability. The primary objective of IWM planning is to integrate and optimize waste management, in order to maximise efficiency and to minimise the associated environmental impact, financial cost and to improve the quality of life of all residents within Witzenberg Municipality. Witzenberg conducts refuse removal through curbside collection on a weekly



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basis to address 100% of the domestic waste generated. A standard collection plan was implemented where collection in each town takes place on separate days.






We also employed temporary employees from local communities to perform cleaning services in the streets, open spaces and around waste removal skips. A service is rendered to formal and informal settlements that include:

-  A black bag and green bag system
-  Public awareness and education
-  Waste disposal (landfill sites)
-  Cleansing and public toilets and skips (garden refuse)

The current waste management system in the municipality is fairly successful in the collection and disposal of municipal solid waste, however, limited effort is made to reduce the generation of waste within the municipal area.

The economic feasibility of waste recovery through recycling and composting should be carefully investigated, to reduce the relatively small amounts of waste generated by our low population figures. The existing private recycling enterprise is successful only because it sources materials that have been separated at source and is therefore uncontaminated with wet waste.

The analyses of the current waste management system have shown the following:

-  all formal, urban residential erven are receiving a weekly door-to-door waste collection service
-  all collected municipal waste is disposed at the municipality's engineered and licensed waste disposal sites near Tulbagh and Prince Alfred Hamlet for building and green waste.
-  no significant waste recovery is performed, except for private enterprises and recycling bins in Tulbagh, Wolseley and Ceres.
-  no significant waste avoidance is conducted
-  a Solid Waste Management Master Plan is in progress.

Witzenberg Municipality currently operates two landfills. The Tulbagh landfill site is licensed as a GSB- site and receives waste from all towns in Witzenberg. The Prince Alfred Hamlet site is licensed as a GCB- operated by a private contractor appointed by the municipality for building and garden refuse.

## 3.5.2 Highlights

Highlights	Description
New Sweeper truck procured	Service all areas with sweeping of streets and clean up campaigns
Report to IPWIS system	All waste types reported to the Department of Environmental Affairs and Development Planning monthly
New by-law	Draft at provincial level
Wheelie bin system implemented at all businesses in Witzenberg	2 type of bins at businesses with 240 l and 770l.

## 3.5.3 Challenges

Challenges	Description
Waste recovery facilities (drop-offs or transfer station)	Separation of waste and recycling
Regional Landfill Site in Worcester (Waste licence issued)	Investigation into the costs for required infrastructure.
Non-compliance of landfill sites	Rehabilitation of landfill sites –budget of R68m

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## 3.5.4 Waste management service delivery levels

The table below indicates the different waste management (refuse collections, waste disposal, street cleaning and recycling) service delivery standards of the municipality:

Description	2014/15	2015/16	2016/17
	Actual	Actual	Actual
<b>Household</b>			
<b><u>Refuse removal:</u> (above minimum level)</b>			
Removed at least once a week (accounts and informal households)	13 871	14 057	14 292
<b>Minimum Service Level and Above Sub-total</b>	<b>13 871</b>	<b>14 057</b>	<b>14 292</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b><u>Refuse removal:</u> (below minimum level)</b>			
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
<b>Below Minimum Service Level Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households (formal and informal)</b>	<b>13 871</b>	<b>14 057</b>	<b>14 292</b>

## 3.5.5 Service delivery indicators: Waste management

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL7	Sustainable provision & maintenance of basic infrastructure	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	0%	<1%	0%	
TL14	Provide for the needs of informal settlements through improved services	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service	Number of informal areas	3	3	3	

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## 3.5.6 Employees: Waste management

Employees: Waste Management Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual	8		
0 - 3	69	70	3
4 - 6	3	7	4
7 - 9	13	5	0
10 - 12	1	1	0
13 - 15	0	0	0
<b>Total</b>	<b>90</b>	<b>83</b>	<b>7</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.5.7 Capital expenditure: Waste management

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Vehicle Replacement	2 300 000	2 888 321	2 830 321	58 000	2 830 321
Refuse bins	500 000	112 500	112 500		112 500
<b>Total all</b>	<b>2 800 000</b>	<b>3 000 821</b>	<b>2 942 821</b>	<b>58 000</b>	<b>2 942 821</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## 3.6 HOUSING

### 3.6.1 Introduction

A total of 600 serviced plots were completed in the Vredebes subsidised housing project as an addition to the 312 plots completed in Bella Vista. The construction of 309 houses in Bella Vista started in 2016 with expected completion by end of 2017. The construction of houses in Vredebes will start after the completion of bulk water and sanitation infrastructure which is projected for the end of 2017.

### 3.6.2 Highlights

Highlights	Description
Bella Vista Housing Project started	In terms of National Housing Policy, the most needy beneficiaries were

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Highlights	Description
	approved and allocated houses namely the elderly. Military Veterans and disable will also be accommodated in this project
GAP Housing Project consisting out of 49 units started in Tulbagh	This will be a pilot project for Witzenberg and a developer has been appointed through the tender process. This project will help to address the backlog on provision of housing for backyard dwellers because backyard dwellers are mainly children of home-owners. 2 People already moved into their houses
Application for additional funds for purchasing of land in Tulbagh of completion of outstanding project was done	Due to illegal occupants invaded the land available solutions must be found to address the outstanding houses to be built as part of an outstanding project
Approval of the UISP Project for 188 sites in N'duli	Planning money made available to the amount of R500 000 by DoHS. Layout for the project has been completed

## 3.6.3 Challenges

Challenges	Description
Selling and renting of RDP houses	Beneficiaries are in desperate need for money and this is a way to generate an extra income. Sales are made illegally without houses being transferred which hampers the transfer processes because in some case the beneficiaries who received the subsidy are gone or deceased. No definite guidelines from the DoHS which must enforce the pre-emptive right
Transfer of rental stock	Outstanding debts of tenants to get rates clearance. Unforeseen documents needed by attorneys to expedite the registration process eg. registration of mother erven and lost original title deeds
Emergency housing for evictees (private and farm workers)	Emergency camp are planned as part of the Vredebes Housing Development, but no immediate solution available because of project funding for bulk infrastructure which will take ± 3 years to be completed depending on additional fund allocations
Immigration control in informal settlements. Increased illegal invasion of land in Wolseley and unfortunately we have no control because these structures are erected overnight and eviction through the court process costly and lengthy.	A response team need to be budgeted for and advertised via the tender process. Existing Community Committees needs to be co-operative
GAP housing opportunities need to be are increased because of household incomes rising on a yearly basis	The income band between R3 501 – R15 000 who is potential beneficiaries for GAP market do not qualify so easily for a bank loan although linked to the FLIPS subsidy because of their credit worthiness
National Policy around persons younger than 40 years receiving houses/serviced sites	Although a National Policy, it is very difficult to implement specifically in informal areas. Policy however changed in 2016 and aged limit were lowered to 35 years the challenge stays the same because of the limited opportunities.

## 3.6.4 Housing service delivery levels

Financial Year	*Nr of households in formal dwellings	*% of households in formal dwellings	Households in informal settlements	Nr of people on housing waiting list	% Housing waiting list increase (decrease)

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Financial Year	*Nr of households in formal dwellings	*% of households in formal dwellings	Households in informal settlements	Nr of people on housing waiting list	% Housing waiting list increase (decrease)
2014/15		86.7%	2 077	9 065	(3.75)%
2015/16			1 945	10 421	14.96%
2016/17	29 969	83.3%	2 200	10 736	3%

\* Witzenberg Socio-Economic Profile (Western Cape Government)

A summary of houses built and sites serviced under the subsidisation programme, includes:

Financial year	Allocation (Budget)	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2014/15 ( Capital)	34 885	34 885	100	0	470
2014/15 (Operational)	15 017	15 017	100	42	0
2015/16 (Capital)	28 930	27 449	94	0	763
2015/16 ( Operational)	0	0	0	0	0
2016/17 (Capital)	7 711	7 522	98%		0
2016/17 (Operational)	24 963	24 264	97%	200	

## 3.6.5 Service delivery indicators: Housing

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL11	Provide for the needs of informal settlements through improved services	Number of subsidised serviced sites developed	Number of serviced plots	605	No Target		
TL33	Support the poor & vulnerable through programmes & policy	Number of housing opportunities provided per year	Number of top structures	No Target	200	200	
TL34	Support the poor & vulnerable through programmes & policy	Number of Rental Stock transferred	Number of properties transferred	45	60	65	

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## 3.6.6 Employees: Housing

Employees: Housing Management Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
0 - 3	2	1	0
4 - 6	1	4	1
7 - 9	4	5	0
10 - 12	2	0	0
13 - 15	0	1	0
<b>Total</b>	<b>10</b>	<b>11</b>	<b>1</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.7 FREE BASIC SERVICES AND INDIGENT SUPPORT




Witzenberg acknowledges that priority must be given to the basic needs of the community and that the social and economic development of the community is supported in an effort to provide access to the basic level of service in terms of the Constitution of South Africa, Section 151(1)(b) and 153(b).

Free basic services are provided to households with a combined monthly income of less than **R3 000**.




A household may apply with the relevant forms and once their application has been approved, they are entitled to free basic services for one year. If they still qualify after the year has lapsed, they need to complete the application process again.

The aim of the Indigent Policy is to ensure a sound and sustainable manner in which to provide affordable basic services to the poor through financial assistance within the legal framework of the powers and functions of the municipality. This is done in an effort to improve the standard of living and creating a prosperous municipality that is free from the scourge of poverty.

### THE OBJECT OF THIS POLICY IS TO:

-  Ensure a transparent, accountable and sustainable manner to assist the poor with access to basic services as defined in the policy;
-  Ensure a sustainable manner to assist the poor with the burial costs, transfer duties and to change the municipal accounts in the cases of death, legal separation, divorce, etc. when necessary; and to
-  Ensure that a fair portion of the equitable share, as provided by National Government, is spent as a contribution towards poverty alleviation.

### THE QUALIFICATION CRITERIA FOR URBAN HOUSEHOLDS IN ORDER TO RECEIVE ASSISTANCE ARE AS FOLLOWS:

-  The head of the household must be a South African citizen;
-  The household, except in the case of rural households, must receive an account from Witzenberg Municipality;
-  An application on the prescribed form must be duly completed and submitted, with the required information and signature;

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- 🍎 No member of the household may own a fixed property, other than the site on which the household resides; and
- 🍎 The household's joint gross income may not exceed R3 000 per month.

## THE QUALIFICATION CRITERIA FOR OLD AGE HOMES IN ORDER TO RECEIVE ASSISTANCE ARE AS FOLLOWS:

- 🍎 More than 50% of the residents within the old age home must receive less than R3 000.00 per month.
- 🍎 The qualification criteria for electricity consumers within Witzenberg Municipality, but who reside in areas where the municipality is not the supplier of electricity, is that their connection may not exceed 20 Amps.

## BENEFITS:

### 🍎 **Property rates**

In terms of the Property Rates Act, Act 6 of 2004, Section 17(h) all residential sites are exempt from the first R15 000 of the market value on a property. As an additional subsidy, the municipality will increase this level subsidized to R100 000 in the form of a credit on the municipal account. This subsidy will thus, equate to a R100 000 of the total market value or the total valuation of the property.

### 🍎 **Electricity**

A subsidy equal to the amount charged for the first 50 kWh consumed per month.

### 🍎 **Water**

A subsidy equal to the amount charged for the first 6 kilolitres consumption per month as well as 100% subsidy on the basic charge for water, where the municipality is the service provider.

### 🍎 **Sanitation**

A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.

### 🍎 **Refuse removal**

A subsidy equal to 100% of the amount charged for the service per month where the municipality is the service provider.

### 🍎 **House rental**

A subsidy equal to 100% of the amount charged in the case of municipal sub economical rental stock as house rental per month.

### 🍎 **Burial costs**

A subsidy equal to 100% of the amount charged for burial cost. The subsidy can be provided in terms of every deceased member of the household.

### 🍎 **Transfer costs**

A subsidy equal to 100% of the amount charged for transferring the municipal service accounts, as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit. A subsidy equal to 100% of the costs of an attorney to transfer the property into the spouse name. This subsidy is provided as a result of death of the head of the household, whilst approved as an indigent household and the current registration is not in registered at the Deed's Office in the name of both parties. The appointment of the attorney is entirely the prerogative of the municipality.

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## 3.7.1 Access to free basic services

Free Basic Services To Low Income Households									
Year	Number of households								
	Total no. of HH	Households earning less than R 3 000 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2014/15	13 920	4 893	36	4 893	36	4 555	33	4 893	36
2015/16	14 085	4 614	33	4 614	33	4 614	33	4 614	33
2016/17	14 085	4 510	32	4 510	32	4 510	32	4 510	32

Rates						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Exempt Valuation	Value	No of HH	Exempt Valuation	Value
			R'000			R'000
2014/15	4 328	85 000	595	10 074	15 000	1 041
2015/16	4 614	100 000	2 272	11 385	100 000	9 677
2016/17	4 510	100 000	2 573	11 304	100 000	9 677

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2014/15	3 352	50	1 770	9 378	0	0	1 203	50	672
2015/16	2 673	50	1 518	10 228	0	0	1 618	50	919
2016/17	2 565	50	1 526	10 493	0	0	1 458	50	828

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2014/15	4 893	6	6 104	9 027	0	0
2015/16	4 614	6	5 510	9 444	0	0
2016/17	4 510	6	5 386	9 575	0	0



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Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2014/15	4 328	167.64	7 068	9 592	0	0
2015/16	4 614	179.38	9 932	9 444	0	0
2016/17	4 510	190.14	10 290	9 575	0	0

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2014/15	4 328	1	9 499	9 592	0	0
2015/16	4 614	1	10 936	9 444	0	0
2016/17	4 510	1	8 021	9 575	0	0

## COMPONENT B: ROAD TRANSPORT

This component includes roads and storm water management.

### 3.8 ROAD SERVICES

#### 3.8.1 Introduction

The Witzenberg Local Integrated Transport Plan (LITP) was prepared as part of the review of the Cape Winelands District Integrated Transport Plan (DITP) 2016- 2021.

As per Section 36 of the National Land Transport Act (Act 5 of 2009) all planning authorities must prepare an Integrated Transport Plan for their area for a five year period. These ITPs need to be overhauled every five years and updated annually. The Integrated Transport Plans for the Cape Winelands District have been prepared to meet the minimum requirements for preparing an Integrated Transport Plan as published by the Department of Transport. Witzenberg Municipality has been classified as a level 3 planning authority and is therefore required in terms of the National Land Transport Act to prepare a LITP.

Transport Status Quo

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Witzenberg Municipality has a total population of approximately 115 000 persons with an economic growth rate of 2.64%. The primary economic activities which take place in the agricultural sector and are subject to seasonal changes. Witzenberg Municipality has a number of public transport services operating within municipal area. The most used mode of transportation is the minibus taxi. Other modes used in Witzenberg are rail, non-motorised transport and private vehicles. Witzenberg Municipality also experiences high volumes of freight transport travelling through the municipality. At present, the municipality has both formal and informal public transport facilities of which some formal facilities are currently not utilised by public transport operators. Witzenberg Municipality has three minibus taxi associations operating within the area; the Ceres Taxi Association, the Nduli Taxi Association and the Tulbagh Taxi Association.

The transport needs of Witzenberg are similar to those of its neighbouring municipalities. The primary issue in Witzenberg are that there is a limited public transport service during off peak periods, forcing people to wait for long periods of time before being able to travel. The safety of passengers and pedestrians as well as the affordability of taxi services are also issues impeding transportation. The municipal transport budget for Witzenberg indicates that there is approximately R8 million allocated toward transport related improvements. The budget mainly focuses on roads improvements in residential areas within the municipality.

## Road network and traffic

The road network in Witzenberg Municipality consists of provincial roads, owned and managed by the provincial road authority, which is the PGWC. Apart from the provincial roads, which are also known as the rural road network, the upgrade and maintenance of the local street network is the responsibility of the local authority. Condition of the road surface indicated that 66% of the surfacing is in good or very good condition. The corresponding value for road structure is 79%. If road surface conditions deteriorates too much, the road structure will be adversely affected. Therefore, upkeep to protection of the structure through regular maintenance is very important. Fruit and vegetables are brought from various farms around Wolseley, from Op-die Berg and Tulbagh to the factory in Ceres to be packed. This creates an inflow of heavy vehicles to Ceres. From Wolseley and Tulbagh, heavy vehicles travel to Ceres via the Mitchell's Pass.

The Pass has a high quality surface, able to withstand high volumes of traffic. In contrast, the proclaimed road through Ceres is of a different standard and must accommodate the same high volume of heavy vehicles. In the urban streets of Ceres, special NMT signage restricts heavy vehicles from entering the urban areas. A Pavement Management System (PMS) is used for maintaining the roads in the area through an assessment of the network based on methodical visual ratings of each pavement section. The priorities is divided into routine maintenance (e.g. patching), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction). This is supported by visual inspections which are performed according to a schedule and data is recorded and prioritised for implementation. Limited and funding backlogs are the greatest challenge faced in maintaining the road network.

### 3.8.2 Highlights

Highlights	Description
Reconstruction of Boerneef street, Schoonvlei Industrial area	The contract entailed the upgrading of the R310/ Vreeland Street intersection, portion of Vreeland Street and portion of Boerneef Street. Boerneef Street – 1 130m

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Highlights	Description
	Vreeland Street – 450m R303 Right-turn lane widening – 500m
Traffic calming measures	Constructed 10 speed-humps in Witzenberg
Resealing of streets	Resealed 2.63km's main roads in Witzenberg
Transport Precinct Assessment Plan - Tulbagh Central Business District (CBD)	The project entailed the improvement of the pedestrian interface and provide additional parking to the edges of Van der Stel Street in a way that does not detract, but respects the heritage resources in the town of Tulbagh. In doing so, the project offers an opportunity to consider the nature of the particular section of Van Der Stel Street, how the historic fabric sits within the town and how it could be better supported by urban and civil engineering infrastructure

## 3.8.3 Challenges

Challenges	Description
Funding backlogs on bituminous pavements	Pavement Management System 2010, all bituminous pavements, resealing and upgrading of roads backlogs amount to R52 million
Deteriorated Tulbagh roads	4.35km Deteriorated roads needs to be upgraded
Roads master plan	No roads master plans makes proper development planning difficult, also evaluation of new town planning applications
Upgrading needs on provincial roads as a result of new developments	No funding or assistance from Department of Transport and Public Works
Upgrading needs for public transport infrastructure	No funding for proposals from Transport Assessment Plans
Upgrading Van Breda Bridge Ceres	Funding from Provincial department, Heritage approval for widening

## 3.8.4 Service delivery levels: New roads and maintenance of existing roads

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

Tarred/paved roads:

Financial year	Total km tarred roads	Km of new tar & paved roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2014/15	216.76	3.119	2.377	0.88	213.64
2015/16	222.43	5.67	8.22	0	216.76

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Financial year	Total km tarred roads	Km of new tar & paved roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2016/17	222.43	0	1.58	2.63	222.43

Gravelled roads:

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
2014/15	10.31	0	0.19	10.50
2015/16	10.50	0	0	10.50
2016/17	10.50	0	0	10.50

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000	R'000	R'000
2014/15	12 684	2 029	3 541
2015/16	6 121	5 753	5 780
2016/17	16 806	7 698	7 804

## 3.8.5 Service delivery indicators: Road Services

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL10	Sustainable provision & maintenance of basic infrastructure	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	10.15	2	10.7	
Reason for low target: The municipal Pavement Management System is out dated and currently in process of being updated. The result being that officials has to revert to visual assessments that differs significantly in some cases with the PMS results and targets set from the PMS results. It should also be noted that a different type of paving has been implemented, Micropave, resulting in an increase of areas that can be resealed.							

## 3.8.6 Employees: Roads & Storm water

Employees: Roads & Storm water Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual	3	0	0

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Employees: Roads & Storm water Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
0 - 3	15	16	7
4 - 6	8	8	3
7 - 9	3	1	4
10 - 12	2	2	0
13 - 15	0	0	0
16 - 18	1	1	0
<b>Total</b>	<b>32</b>	<b>28</b>	<b>14</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.5.7 Capital expenditure: Roads and Storm water

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Bella Vista Bulk Storm water	3 070 175	1 547 203	1 547 203	0	4 500 000
Bella Vista Internal Roads	0	2 088 918	2 088 918	0	2 088 918
Vredebes Access Collector Phase 1	0	3 128 420	3 128 420	0	6 500 000
Network streets	2 200 000	4 226 871	4 186 505	(40 366)	4 226 871
<b>Total all</b>	<b>10 912 953</b>	<b>10 991 412</b>	<b>10 951 046</b>	<b>(40 366)</b>	<b>17 315 789</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate). Only major projects included.</i>					

## 3.9 WASTE WATER (STORM WATER DRAINAGE)

### 3.9.1 Introduction

Currently the municipality does not have a Storm Water Master Plan for Ceres, Wolseley, Op die Berg and N'Duli. A plan for Tulbagh was completed recently. The municipality does, however, have maintenance plans for these areas through scheduled inspections and prioritisation for implementation. Cleaning of infrastructure is done in accordance with a scheduled programme.

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A contract was awarded for the compilation of a storm water master plan for Prince Alfred Hamlet in 2016. The scope of the Storm Water Master Plan (SWMP) for Prince Alfred Hamlet is based on the following approach:

- 🍷 Data collation including field visit to verify existing storm water drainage system and flow regime.
- 🍷 Storm Water Master Planning
- 🍷 Catchment delineation and determination of hydrological and hydraulic parameters
- 🍷 Compilation of catchment hydrological and hydraulic models
- 🍷 Flood line determination
- 🍷 Capital Upgrade Cost Estimate
- 🍷 Reporting
- 🍷 Compile SWMP report with drawings and tables
- 🍷 Flood line determination
- 🍷 Capital Upgrade Cost Estimate

## 3.9.2 Highlights

Highlights	Description
Storm water master plan for Tulbagh	New storm water master plan to manage storm water infrastructure
Storm water master plan for Prince Alfred Hamlet	New storm water master plan to manage storm water infrastructure

## 3.9.3 Challenges

Challenges	Description
Storm water Master Plan	No storm water master plans, except for Tulbagh and Prince Alfred Hamlet
Wolseley Montana Channel upgrade	No funding for portal culverts that has an enormous financial implication
Vandalism storm water drainage	Covers being stolen and sold at scrap metal yards.
Trees damage storm water pipes/sidewalks and roads	Trees with aggressive root systems
Storm water blockages	Manholes/catch pits being used as dirt dumping places

## 3.9.4 Service delivery levels: Infrastructure and cost of construction/maintenance

Storm water infrastructure

The table below shows the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

Financial year	Total km storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2014/15	139.00	0.97	0	138.03

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Financial year	Total km storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2015/16	139.83	0.83	0	139.00
2016/17	139.83	0	0	139.83

Cost of construction maintenance:

The table below indicates the amount of money spend on storm water projects:

Financial year	Storm water measures	
	Capital	Maintained
	R'000	R'000
2014/15	3 626	1 227
2015/16	9 662	952
2016/17	0	1 359

## COMPONENT C: PLANNING AND DEVELOPMENT





Witzenberg Municipality does not have a single department that includes all strategic services. The LED section is managed by the Social & Economic Development section that is situated in the directorate for Community Services. The IDP, Internal Audit and Organisational Performance sections report to the Municipal Manager. Tourism and marketing are situated in the directorate for Corporate Services. Building control, town planning, spatial planning and GIS falls under the section Town Planning & Building Control situated in the directorate for Technical Services.

### 3.10 PLANNING






#### 3.10.1 Introduction

In June 2017, the Witzenberg Spatial Development Framework (WSDF) was approved as part of the IDP in terms of section 34 of the MSA.

The WSDF will guide the spatial form and structure of Witzenberg (the way in which we use the space available for urban growth) in the future. This 5 year plan will enable Witzenberg to manage new growth and change in its area, to ensure sustainability and equitability. The objectives of the WSDF are to:

-  Give spatial effect to the provisions of the Witzenberg IDP and guide implementation of its anchor projects.
-  Provide guidance to public and private infrastructure investment in the municipality, taking cognisance of the growth and development potential of the various settlements in the municipality.
-  Spatially co-ordinate and direct the activities and resources of the municipality.
-  Describing the existing and desired future spatial patterns that provide for integrated, efficient and sustainable settlements in the municipality.

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-  Guiding the investment of public resources (capital) through the following:
-  Providing a credible context for public investments
-  Promoting equitable development of areas that have lagged behind.
-  Providing certainty to all stakeholders regarding spatial and socio-economic implications of future development in the municipality.
-  Providing a basis for coordinated decision-making and policy-formulation regarding future land-use.




The table below sets out the main elements of Witzenberg planning strategies:

Strategy	Description
Industry	Enhance the use of Ceres as an agri-industrial hub and portal to the export markets situated in the City of Cape Town
Tourism	Promote development of tourism-related amenities and activities along the main routes through the Municipality
Major routes	Ensure the upkeep of the R43, R46, R303 and R355 as major economic transport routes and scenic routes
Land use management	Ensure that changes in land-use maintain the integrity, authenticity and accessibility of significant cultural landscapes. Contain urban sprawl and restrict urban development to within designated urban edge. Integrate low-cost housing within the urban area to combat urban sprawl and reduce negative visual impact on the cultural landscapes
Agriculture	Encourage local processing of farm products and the provision of local farm services to enhance the rural economy, increase the viability of agricultural production and reduce rural poverty
Social housing	Improve the quality of subsidised housing settlements through innovative urban planning and design. Such settlements should include areas suitable for informal and formal public activities such as streets, boulevards and squares should be created in well located highly accessible spaces in urban settlements

## 3.10.2 Highlights

Highlights	Description
Adoption of the SDF as core component of the IDP	In terms of the Systems Act SDF is a core component of the IDP and adheres to the same planning cycle as the IDP. Municipality adopted its '4th generation' IDP's that will span the 5 year period beginning on 1 July 2017 and ending on 30 June 2022. SDF adopted as part of the IDP drafting, adoption and amendment process. SDF submitted as part of the IDP to the Department of Local Government.

## 3.10.3 Challenges

Challenges	Description
Spatial Shortcomings	 Slow pace of development especially related to provision of serviced erven to the open market.  The municipality is largely dependent on private sector initiative for the provision of serviced erven. Many areas especially Ceres has virtually no more open market erven left. There is also an acute shortage of industrial sites especially for smaller agri-support businesses.  No monitoring of evaluation of existing spatial proposals. Economic realities (e.g property



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Challenges	Description
	<p>markets) not fully considered in spatial plan.</p> <p>🍌 Little, if any, consideration of the impact of non-availability of services on development momentum.</p> <p>🍌 Policy proposals tend to be to unrealistic regarding institutional capacity and mandate. For example speciality fields i.e. biodiversity.</p> <p>🍌 Development is done on ad hoc-basis and there's no coordination i.t.o roads and services</p> <p>🍌 SDF, in general, not used by other functional departments within the municipality. Not user friendly.</p>
Land Use Control	<p>🍌 74 (58%) of House Shops in Witzenberg operate without approval</p> <p>🍌 Overriding reason is the shop owner is not property owner (immigrants)</p> <p>🍌 Serving of notices are not properly done (law enforcement).</p> <p>🍌 Slow speed of the process.</p> <p>🍌 Council does not have a demolition team, equipment &amp; suitable vehicles especially to remove structures/containers.</p>

## 3.10.4 Service delivery statistics

Type of service	2014/15	2015/16	2016/17
<b>Town Planning and Building Control</b>			
Building plan applications processed	298	282	574
Total surface (m <sup>2</sup> )	64 836.52m <sup>2</sup>	55 624m <sup>2</sup>	74 386m <sup>2</sup>
Approximate value	R193 463 993	R193 590 378	R 188 058 508
New residential dwellings	25	21	318 (Due to subsidized housing project)
Residential extensions	97	94	96
New Business buildings	1	3	2
Business extensions	4	6	9
Rural applications	55	47	56
Land use applications processed	30	27	33

## 3.10.5 Employees: Town planning and building control

<b>Employees: Town Planning &amp; Building Control</b>			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	1	1	0
10 - 12	3	3	2
13 - 15	1	1	0
16 - 18	1	1	0

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Employees: Town Planning & Building Control			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
<b>Total</b>	<b>6</b>	<b>6</b>	<b>2</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.11 LOCAL ECONOMIC DEVELOPMENT

The table below gives a brief description of all the achievements within Local Economic Development (LED) during the 2016/17 financial year:

Achievement/Highlight	Description
Co-operative workshop in Wolseley on 14 July 2016	The workshop was done by Cassidra to assist the group with co-op registration
Business support sessions with SEDA	Link 15 new SMME's with SEDA for business support
Link nine local SMME's with the Exchange program in August 2016	The program was facilitated by a Belgian expert that provided the businesses with mentorship and business plan support
SMME Indaba took place on 13-14 October 2016	The Indaba was successful and created a platform for SMME's to market and sell their products and to network amongst each other
Appointment of for youth ambassadors in Op die Berg to do youth survey with non-participant of the Essen program	The purpose of the survey was to determine the reasons of the youth for not participating. 43 questionnaires were completed
Twenty four CWDM seed fund applications have been received	Five SMME's have been recommended for seed funding
Plumbing training for 10 youth from Op die Berg 21-25 November 2016	Accredited training in basic plumbing
Organised and supported Witzenberg Kersmark stalls for December 2016	80 stalls were booked of which 49 were occupied by people residing outside Witzenberg
Carpentry training 5-9 December 2016	8 people successfully completed accredited training
Supply Chain workshop 20 December 2016	30 people attended and were informed about the central supplier database
Formed new partnership with Trioplus Development in January 2017 to roll out a business learnership	Link 20 SMME's with learnership opportunity. The learnership was rolled out April 2017 till December 2017
CWDM rolled out an accredited Bakery project on 16 January 2017	14 people were linked and were trained as assistant chef. The project finalised 24 May 2017
SARS Tax workshop on 27 January	16 SMME's were linked and informed about small business incentives, income statement and tax clearance
Need assessment survey of local small farmers on 15 March 2017	Purpose of survey was to determine the needs of small farmers and how to link them with support
CWP Local Reference committee meeting held on 28 March	A new CWP Reference committee was established

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Achievement/Highlight	Description
Formed partnership in April 2017 with SAMEIA to support food garden projects	Agricultural support provided by SAMAIA to 33 household gardens in N'Duli and Wolseley
2-day economic workshop by Department Small Business Development on 9-10 May 2017	87 funding applications were submitted to the department
Training of 10 EPWP workers in accredited basic security training	4 accredited Basic Security Patrol modules.
Youth Placement Programme for youth	Placed 4 youth at company where they were provided welding, plumbing and construction experience
Small town regeneration initiative Restoration Centre Business Plan	Developed a business plan via EU funding for a Restoration Centre model.

The table below gives a brief description of all the challenges within LED during the 2016/17 financial year:

Description	Actions to address
Insufficient office resources and unstable office location	Provision of a stable office environment and sufficient resources
Lack of sufficient funding for led projects	To make provision for sufficient funding to ensure sustainability of projects
Internal departments working in silos	Address the issue of effective communication

The LED Strategy along with the LED process plan is in the process of being implemented. Witzenberg Municipality has an established LED Forum comprising of a diverse membership from various sectors of society. The LED Strategy is built upon commitment to develop a climate in which economic development and economic growth can prosper. The LED Strategy for the next financial year (2017/18) has been reviewed and is ready to be implemented.

The LED Strategy identifies various issues and strategic areas for intervention such as (3 top service delivery priorities):

Strategic areas	Description
Creating an enabling business environment	Review the institutional framework
Addressing the key development challenges	Reviewing the LED Strategy
Creating sustainable job opportunities	Implementing skills development programmes and capacitating entrepreneurs with business skills. Assisting SMME's with access to private sector supply chain opportunities and financial support

## 3.11.1 Economic activity

The table below identifies the economic activity within the different sectors:

Sector	2014/15	2015/16	2016/17
Agric, forestry and fishing	22.4%	20.05%	20.3%
Mining and quarrying	0.1%	0.02%	0.02%
Manufacturing	23.5%	16.13%	16.01%

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Sector	2014/15	2015/16	2016/17
Wholesale and retail trade	12.1%	22.13%	22.04%
Finance, property, etc.	9.4%	18.19%	18.32%
Community and social services	15.5%	16.93%	16.67%
Infrastructure services	6.4%	6.55%	6.64%

(Municipal Economic Review and Outlook, [www.municipalbarometer.co.za](http://www.municipalbarometer.co.za))





## 3.11.2 LED Initiatives

During 2016/17, 566 work opportunities were created via the Community Works Programme (CWP).





There are 4 different sectors that comprise the CWP projects in Witzenberg:

-  social
-  education
-  local government
-  environment

The projects within these sectors include:

-  Early childhood development crèche assistance
-  NGO support (which include: women group assistance, nutritional support, HIV support, disabled support)
-  school support (which include: food scheme, site cleaning)
-  street cleaning (which include river banks cleaning)

The CWP provide beneficiaries with nutrition and facilitate the training and the experience necessary for market entry, which includes:

-  health and safety;
-  waste management;
-  food garden; and
-  financial training.

## 3.11.3 LED Statistics

Additional statistics on Local Economic Development:

Type of service	2014/15	2015/16	2016/17
Small businesses assisted	98	110	150
SMME's trained	407	150	170
Community members trained for tourism	27	0	39
Local artisans and crafters assisted	6	1	3

Job creation through the Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
2014/15	35	351
2015/16	40	427

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Job creation through the Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
2016/17	32	398

## 3.11.4 Service Delivery Indicators: LED

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL36	Create an enabling environment to attract investment & support local economy	Compile & Implementation of LED Strategy	Phased implementation	1 <sup>st</sup> Phase Implementation	2nd Phase Implementation	2nd Phase Implementation	

## 3.12 TOURISM

### 3.12.1 Aim and function of the tourism sector

Witzenberg Municipality has a service level agreement with three local tourism entities, which conduct marketing of the municipal area and local established businesses to draw investment and trade to the area. Local businesses join as members of the local tourism authorities to participate in the marketing initiative. Membership to this organisation holds businesses accountable to ethical norms and standards for the industry as well as to a code of conduct. Tourism aims to market Witzenberg Municipality as an affordable holiday destination with activities for the entire family. Tourism liaises with District, Provincial and National stakeholders to develop the brand through tourist attraction, awareness campaigns, road-shows, expos, events and festivals. Tourism also aims to train and skill local entrepreneurs to meet tourism-related demands and provide requisite services and products to promote local trade and economic development.

### 3.12.2 Training and development

Tourism runs educational packages with schools, front of house staff and local stores to promote clientele service. Tourism also sources training courses in areas such as first aid, communication, administration and hospitality to help local businesses improve output and skill levels.

### 3.12.3 Destination marketing

Tourism has produced tear off maps which are distributed to points of sale with high traffic thoroughfare, providing location and contact details of local tourist attractions. They have also produced a joint brochure called the Witzenberg Meander, covering activities across the municipality. Tourism bureaus for Wolseley, Ceres and Tulbagh have also created their own brochures with niche marketing of their towns and, with social media promotion through Facebook and website. Tourism has been successful in marketing the destination as an affordable and picturesque location for weddings, snow tourism, heritage tourism, agri-tourism, wine tourism, adventure tourism, cultural tourism, sports tourism and rural tourism to visitors within South Africa. Tourism also conducts quarterly educational visits to the areas to tourism authorities outside of our borders as well as journalists, media groups and bloggers to review and publicise our activities and services.

### 3.12.4 Tourism awareness/events

Annual events taking place in the Witzenberg municipal region:

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Annual Event	Date
Wolseley MTB Challenge	13 August 2016
Tulbagh Spring Arts Festival	10 September 2016
Michell's Pass Half Marathon	24 September 2016
Tulbagh Horse and Wild Flower Show	28 September 2016 to 01 October 2016
Hamlet Arts & Culture Festival	14 to 15 October 2016
Eselfontein Outdoor Festival	14 to 16 October 2016
Gydo Christmas Light Festival	25 to 26 November 2016
Witzenville Faire Tulbagh	02 December 2016
Witzenberg Christmas Market	09 to 11 December 2016
Tulbagh Vintage & Vine Faire	27 May 2017
Christmas in Winter	24 to 25 June 2017

### ***3.12.5 Challenges to tourism***

Witzenberg Municipality and Tourism does not have the autonomy, budget or infrastructure to roll-out Wi-Fi across the entire municipal area. Whilst some visitors seek out areas of limited coverage, most visitors have the expectation that Wi-Fi is easily accessible and is available free of charge. Not all local businesses are registered with Tourism and thus are not accountable to their code of conduct or service standards. Most establishments and services are not user-friendly to travellers with special needs, i.e. sight impaired, mobility limited, speech impairment, communication specialists (sign language, isiXhosa, German, etc). Many establishments and services do not cater for multi-generational needs of visitors i.e. infants (cribs, feeding chairs, baby monitor, walking rings etc), teenagers (DSTV access, cell phone chargers, cellular airtime vouchers, video games and consoles), the aged (wheel chairs, zimmer frames, magnifying glasses, large print menus/bibles etc). Witzenberg Municipality does not have a formal tourism corridor through the township sectors of the municipal area. The financial support provided to Tourism contributes largely to the salaries of staffing and is thus is not fully focused on the areas of tourism development, promotion and destination marketing.

### ***3.12.6 Opportunities for tourism***

A key action towards tourism growth and integration will be route development; aimed at job creation, social inclusion and strategic partnerships with tourism industry partners. This will formalize tourism corridors for travellers to experience a holistic tour of the region, ensuring a balance of revenue spend, exposure to rural and urban settings, demographic engagement and diversification of tourism involvement. This will further aid the municipality in realizing its aims towards social cohesion and poverty eradication. The themes projected for these routes will be heritage/culture/nature and agriculture/fruit/nature.

## **COMPONENT D: COMMUNITY AND SOCIAL SERVICES**

### **3.13 LIBRARIES AND COMMUNITY FACILITIES**

Libraries and community facilities are managed by the section, Facilities and Environment, located in the directorate of Community Services. All towns have either a community hall or town hall, with Ceres and Tulbagh having both. All towns have a library, with mini libraries in Op-die-Berg and Laastedrif.

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## 3.13.1 Service statistics – Libraries and community facilities

Type of service	2014/15	2015/16	2016/17
<b>Libraries</b>			
<b>Number of Libraries</b>	9 and 2 mini libraries	9 and 2 mini libraries	9 and 2 mini libraries
<b>Library members</b>	23 302	23 282	25 440
<b>Books circulated</b>	270 941	230 825	208 476
<b>Exhibitions held</b>	244	249	231
<b>Internet access points</b>	27 points	34	34
<b>New library service points or Wheelie Wagons</b>	1 (Library)	0	0
<b>Children programmes</b>	63	105	110
<b>Visits by school groups</b>	845	779	768
<b>Community Facilities</b>			
<b>Number of Community Facilities – Community- and Town Halls</b>	12	12	12

## 3.13.2 Employees: Libraries and community facilities

<b>Employees: Libraries and Community facilities</b>			
<b>Job Level</b>	<b>2015/16</b>	<b>2016/17</b>	
	<b>Employees</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>
Contractual	1	0	0
0 - 3	2	5	2
4 - 6	0	0	0
7 - 9	11	12	1
10 - 12	10	10	0
13 - 15	0	1	0
<b>Total</b>	<b>24</b>	<b>28</b>	<b>3</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.13.3 Capital expenditure: Libraries

<b>Capital Projects</b>	<b>2016/17</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from adjustment budget</b>	<b>Total Project Value</b>

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R					
Op-Die-Berg Mobile Unit	0	515 466	515 466	0	515 466
Furniture	0	22 000	21 416	(584)	21 416
<b>Total all</b>	<b>0</b>	<b>537 466</b>	<b>536 882</b>	<b>(584)</b>	<b>536 882</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## 3.14 CEMETERIES

Cemeteries in all towns are managed by the municipality, except Op-die-Berg which is managed by a church. Ceres Cemetery and N'Duli Cemetery have reached full capacity. The cemetery at Bella Vista will cater for these two towns in future. Wolseley Cemetery has been extended. No crematoriums are managed.

### 3.14.1 Service statistics – Cemeteries

Type of service	2014/15	2015/16	2016/17
<b>Number of Cemeteries</b>	4 open 2 closed	4 open 2 closed	4 open 2 closed
<b>Number of private burials</b>	0	0	0
<b>Number of poor burials</b>	3	37	48
<b>Number of indigent burials</b>	454	55	74
<i>#Stats are for all towns</i>			

### 3.14.2 Employees: Cemeteries

Employees: Cemeteries			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual		0	0
0 - 3	18	14	1
4 - 6	7	3	0
7 - 9	1	0	0
10 - 12	1	0	0
13 - 15	0	0	0
<b>Total</b>	<b>27</b>	<b>17</b>	<b>1</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.15 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

The Socio Economic Unit is responsible for:



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- 🍎 the initiation and strengthening of early childhood development (ECD) programmes and support of the ECD Forum;
- 🍎 capacity building of crèches;
- 🍎 strengthening awareness programs regarding the aged abuse and access to indigent services;
- 🍎 strengthening and support of youth development with the focus on job creation and skills development;
- 🍎 strengthening and support of persons with disabilities through skills development; and
- 🍎 support HIV/AIDS awareness.

## 3.15.1 Service statistics: Child care, aged care and social programmes

Type of service	2015/16	2016/17
<b>Child care, aged care &amp; social programmes</b>		
<b>Soup kitchens established or supported</b>	8 soup kitchens was financially supported	8 soup kitchens was financially supported
<b>Initiatives to increase awareness on child abuse</b>	<ul style="list-style-type: none"> <li>🍎 17 July 2016- Child Protection Programme</li> <li>🍎 Child protection programmes about road safety and body safety: HM Beets; Aviat Crèche; Wouter Kabouter</li> <li>🍎 Holiday Programme on 2 July 2016 at Bella Vista High School for approximately 150 children. We entertained the children with Daantjie Kat and talked to them about road safety</li> <li>🍎 3 September 2016 - Awareness programme – Morrisdale Primary School</li> <li>🍎 15 September 2016- Achter Tuin Primary – School road safety</li> <li>🍎 8 September 2015- Awareness programme at Fairfield Primary School- Road and fire safety</li> <li>🍎 27, 28 and 29 October 2016 at the following primary schools: Achtertuin Primary, Nduli Primary, Morrisdale Primary, Ceres Primary, Mooi Uitsig and St Marks Primary</li> <li>🍎 30 November 2016 - Awareness programmes for grade 6 and 7 learners</li> <li>🍎 16 December 2015 - Child Protection Programme at Kluitjies Kraal</li> <li>🍎 19 January and February 2016 - Awareness and Prevention, Safety Programme at Prince Alfred Hamlet Play Park and programme at Goldilocks Crèche</li> <li>🍎 2 x awareness program on water safety for children at ECD facilities</li> <li>🍎 2 x fire safety programmes presented</li> </ul>	<ul style="list-style-type: none"> <li>🍎 22 June 2017- Child Protection programme at Wouter Kabouter Crèche- Poppekas about road safety</li> <li>🍎 22 June 2017-Child Protection Program at Vrolike Vinkies Crèche- Aim was to create awareness regarding road safety.</li> <li>🍎 28 June 2017-Child Protection Program with primary School Children. Group discussions and participation was encouraged during these sessions.</li> <li>🍎 23 June 2017-Tulbagh Awareness Program- Different types of Violence against women and children</li> <li>🍎 26 June 2017- Wolseley Awareness Program – creating awareness regarding the different types of violence against women and children</li> <li>🍎 24 April 2017- Child safety program: Human trafficking/ child abduction and drug abuse (more than 50 children attended this session)</li> <li>🍎 13 February 2017-Activity with children: Wolseley Play Park: Ball Games and Talk about the Rights and responsibilities of Children</li> <li>🍎 30 January 2017- Activity with children: Face painting and talk about basic hygiene at Aviat Crèche</li> </ul>

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	<p>to teachers and children at ECD centres</p> <ul style="list-style-type: none"> <li>3 x awareness programs on striving for more for primary school children</li> <li>1 x Educational trip to Kleinplaspie for children in ECD centres</li> <li>1 x awareness program on emotional intelligence for parents of ECD children</li> <li>1 x awareness program on establishing norms and values with parents of pre-school children.</li> <li>1 x awareness program on building blocks for healthy family life</li> </ul>	
<b>Youngsters educated and empowered</b>	<ul style="list-style-type: none"> <li>Water Safety/Learn-to-swim Campaign (Ceres, Tulbagh, Wolseley, PA Hamlet)</li> <li>X2 Career day (Op-die-Berg)</li> <li>Life skills program (Tulbagh)</li> <li>Arts &amp; craft session (Tulbagh)</li> <li>X4 Holiday program (Tulbagh)</li> <li>Entrepreneurship Info session (Wolseley)</li> <li>World of work workshop (ODB)</li> <li>X2 Leadership training (N'Duli &amp; Wolseley)</li> <li>X2 Awareness: Role of young women (Wolseley)</li> <li>Communication skills (PA Hamlet)</li> <li>X2 Job preparation (Tulbagh &amp; Wolseley)</li> <li>X2 Leadership (PA Hamlet &amp; Ceres)</li> <li>Youth day event</li> <li>X2 Basic Admin Course (ODB)</li> <li>Arts and craft (Wolseley)</li> <li>Job hunting training (Bella Vista)</li> <li>Youth camp</li> <li>X2 Conflict management (N'Duli &amp; Tulbagh)</li> <li>First aid training (Ceres &amp; Wolseley)</li> <li>X2 Train the trainer (Bella Vista)</li> <li>Safety programmes (primary schools)</li> <li>Educational fieldtrip (ODB)</li> <li>Painting of park (Ceres)</li> <li>Vulnerable Teens Program (Thankfulness)</li> <li>Awareness: Social networks (Tulbagh)</li> <li>Personal development (Tulbagh)</li> <li>Life skills camp (Op die Berg)</li> <li>Youth day event</li> <li>Awareness: Teenage Pregnancy (high school)</li> <li>Self-development workshop (ODB)</li> </ul>	<ul style="list-style-type: none"> <li>Leadership training x2</li> <li>Holiday Program</li> <li>Life skills program (morals and values)</li> <li>Life skills program (communication)</li> <li>Leadership camp</li> <li>Entrepreneurship training x2</li> <li>Life skills: Role of a father x2</li> <li>Exit program x2</li> <li>Life skills: Safety</li> <li>Life skills: Relationships x3</li> <li>Life skills: Your identity x2</li> <li>Life skills: Anger Management x4</li> <li>Conflict management training</li> <li>Job preparation training x2</li> <li>Substance Abuse Awareness x2</li> </ul>
<b>Initiatives to increase awareness on disability</b>	<ul style="list-style-type: none"> <li>Disability Awareness Programme: introduction of the parent supporter programme in Tulbagh.</li> <li>14 October 2015- Provincial workshop on people with disabilities</li> <li>3 December 2015- International day</li> </ul>	<ul style="list-style-type: none"> <li>4 x skills programmes with People with disabilities. The focus was be on hand skills; life skills and social skills.</li> <li>Showcase of the finished products made by people with disabilities arts&amp; craft group in N'Duli.</li> </ul>

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	<p>for people with disabilities- Pune Valley Hall-Wolseley</p> <ul style="list-style-type: none"> <li>22 January 2016- Disability meeting</li> <li>February 2016 – Disability awareness programme</li> </ul>	<ul style="list-style-type: none"> <li>Awareness programme with parents and caregivers of children with disabilities( all wards)</li> <li>SALGA/CWDM programme for people with disabilities in Paarl (Social Dialogue with sport activities for all people with disabilities from the local municipalities)</li> <li>Prevention and awareness program in N'Duli- Women empowerment.</li> <li>Protection of women and children Campaign- Prince Alfred Hamlet- Phase 4 en 5</li> <li>3 December 2017- International Day for People with Disabilities/</li> <li>19 November 2017-Attending Down syndrome Yearly Programme for children and families with Down syndrome.</li> </ul>
<p><b>Initiatives to increase awareness on women</b></p>	<ul style="list-style-type: none"> <li>28 July 2015- Intimate Partner Violence meeting</li> <li>14 August 2015- Women's day for elder women at Breerivier Clinic</li> <li>Women's Day programme with Badisa Wolseley for all safety parents and foster mothers</li> <li>Intimate Partner Violence meeting- aim is to increase the number of women receiving counselling</li> <li>Women's Day programme focussing on young women- prevention of teenage pregnancies</li> <li>Bella Vista Women's Day Programme: Health Services for women made accessible to women</li> <li>9 December 2016- 16 days of activism for violence against women and children in the Vredebes community</li> <li>23 June 2016- Gender based violence- making a difference on a local level- SALGA's Women's Commission</li> <li>Prevention of gender based violence- programme</li> <li>Attend Ceres CPF meetings</li> </ul>	<ul style="list-style-type: none"> <li>1X awareness program on role of a mother and tools for healthy family life</li> <li>26 June 2017-Wolseley Awareness Programme – creating awareness regarding the different types of violence against women and children.</li> <li>23 June 2017-Tulbagh Awareness Programme- Different types of Violence against women and children</li> <li>29 May 2017-Programme with the community of the Warm Bokkeveld (Matjiesfontein Farm and surrounding farms). The aim of the meeting is to enhance and promote efficient and effective service delivery</li> <li>22 April 2017: Programme in N'Duli Sports field with stakeholders and youth creating awareness regarding sexual offences</li> <li>2 x Programmes with women and children addressing Human Trafficking and Drug Abuse in our communities</li> <li>6 February 2017- Breerivier session with women and men: Breerivier Clinic: Aim of the session- Creating awareness regarding the negative impact of violence against women on families.</li> <li>15 December 2017- Gender Programme with Community of Die Bossie, also known as Delniet Landgoed.</li> <li>28 September 2016- Women from Ceres Rooikamp area and N'Duli had leadership training</li> </ul>

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		<ul style="list-style-type: none"> <li>11 August 2016- Women's Day Celebration with role-players – Tulbagh</li> <li>30 August 2016- Women in leadership training</li> </ul>
<b>Initiatives to increase awareness on HIV/AIDS</b>	<ul style="list-style-type: none"> <li>3 x awareness and prevention programs held in Witzenberg</li> </ul>	<ul style="list-style-type: none"> <li>7x Awareness and prevention program in Witzenberg (Tulbagh, Wolseley, Bo-Swaarmood, Vredebes, Mendoza, Night shelter)</li> </ul>
<b>Initiatives to increase awareness on Early Childhood Development</b>	<ul style="list-style-type: none"> <li>4 x quarterly ECD forum meetings</li> <li>1 x training for crèche personnel on food preparation and hygiene</li> <li>1 x workshop on aftercare</li> <li>1 x workshop on quality insurance for ECD practitioners</li> <li>1 x workshop on inclusive education for ECD practitioners</li> </ul>	<ul style="list-style-type: none"> <li>4 x Facilitating ECD Quarterly forum meetings</li> <li>1 x Workshop on ECD</li> <li>1 x Training for cooks of ECD centres in food preparation and hygiene</li> <li>1 x training for ECD practitioners in stimulation of babies and first 1000 days of a child</li> <li>1 x ECD regional meeting</li> <li>1 x ECD recognition ceremony for ECD practitioners in Witzenberg</li> <li>4 x ECD management meetings</li> <li>Site visits to ECD centres in municipal buildings</li> </ul>
<b>Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes</b>	<ul style="list-style-type: none"> <li>5 x awareness programs on substance abuse in Witzenberg</li> <li>3 x awareness program on Fetal Alcohol Syndrome held in Witzenberg</li> <li>LDAC meeting</li> </ul>	<ul style="list-style-type: none"> <li>4 Awareness programs on Fetal Alcohol syndrome</li> <li>1x workshop on substance abuse specifically on Fetal Alcohol Syndrome</li> <li>1 LDAC meeting</li> <li>2 Awareness programs on substance abuse</li> </ul>
<b>Special events hosted</b>	<ul style="list-style-type: none"> <li>Youth day event 2016(Miss &amp; Mr Salt of Witzenberg)</li> <li>900 elderly people attended Age Day on 8 December 2016</li> </ul>	<ul style="list-style-type: none"> <li>4 &amp; 5 March 2017- Witzenberg Municipality partake and support the CANSA RELAY FOR LIFE WITZENBERG initiative,</li> <li>7 November 2016: Stakeholder Programme with Dept. Home Affairs</li> <li>Youth event in Youth Month</li> </ul>

## 3.15.2 Service Delivery Indicators: Child care, aged care and social programmes

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL30	Support the poor & vulnerable through programmes & policy	Number of account holders subsidised through the municipality's indigent Policy	Number of account holders	2673	2750	2521	
TL31	Support the poor & vulnerable through programmes & policy	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	427	390	398	
TL32	Support the poor &	Number of social	Number of	23	22	22	

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Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
	vulnerable through programmes & policy	development programmes implemented	programmes				

## 3.15.3 Employees: Socio-Economic

Employees: Socio-Economic			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual		1	0
0 - 3	0	0	0
4 - 6	5	5	0
7 - 9	1	1	0
10 - 12	4	4	0
13 - 15	1	0	1
<b>Total</b>	<b>11</b>	<b>11</b>	<b>1</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.16 COMMUNITY SERVICES: OTHER

### 3.16.1 Capital expenditure – Community Services: Other

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>R</b>					
Replace Town Hall Floor Ceres	300 000	122 585	112 662	(9 923)	112 662
Replace Town Hall Floor Tulbagh	400 000	20 000	0	(20 000)	20 000
Upgrading of Community Hall ODB	500 000	189 048	181 834	(7 214)	181 834
Upgrading of Community Hall ODB	0	500 000	496 792	(3 208)	496 792
<b>Total all</b>	<b>1 200 000</b>	<b>831 633</b>	<b>791 288</b>	<b>(40 345)</b>	<b>811 288</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

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## COMPONENT E: ENVIRONMENTAL PROTECTION

The section Facilities and Environment manages environmental protection which includes environmental education, aesthetics and wild animal management such as baboons, as well as the protection of fauna and flora. The department is in the process of developing an Environmental Management Plan.

### 3.17 POLLUTION CONTROL

Environmental officers within the department are responsible for environmental and pollution control. The focus is mainly upon pollution, illegal dumping and the protection of fauna and flora. The municipality is part of the Regional Air Quality Forum and has an official appointed as an Air Quality Officer. The municipality places emphasis on education and training of the youth and school learners. The section is strives to ensure environmental conservation as well as compliance to legislation.

#### 3.17.1 Service Statistics – Pollution Control

Type of service	2014/15	2015/16	2016/17
<b>Pollution Control</b>			
<b>Number of environmental education initiatives held</b>	15	5	7
<b>Number of baboon damage incidents</b>	0	0	0

### 3.18 PARKS, PUBLIC OPEN SPACES AND RIVER MANAGEMENT

Parks management is responsible for the management and maintenance of parks in the municipal area. New parks are designed and developed by this section. The function also includes river maintenance and conservation of municipal nature areas. The municipality has more than 50 hectares of official parks and many more open spaces and areas that requires maintenance. Parks scheduled for cutting every 3 weeks. Rivers are maintained to prevent pollution and regular clearings of alien vegetation takes place.

#### 3.18.1 Employees: Parks, Public open spaces and river management.

<b>Employees: Parks, public open spaces &amp; river management</b>			
<b>Job Level</b>	<b>2015/16</b>	<b>2016/17</b>	
	<b>Employees</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>
Contractual	11	2	2
0 - 3	30	34	3
4 - 6	11	21	0
7 - 9	5	0	0
10 - 12	1	0	0
13 - 15	1	1	0
<b>Total</b>	<b>59</b>	<b>58</b>	<b>5</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

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## 3.18.2 Capital expenditure – Parks

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Plant & Equipment	300 000	420 000	417 272	(2 728)	417 272
<b>Total all</b>	<b>300 000</b>	<b>420 000</b>	<b>417 272</b>	<b>(2 728)</b>	<b>417 272</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## COMPONENT F: SECURITY AND SAFETY

This component includes: Traffic; Fire; Disaster Management, Licensing and control of animals, and Control of public nuisances, etc.

### 3.19 TRAFFIC AND VEHICLE LICENSING

Our top service delivery priorities are reducing the number of road deaths caused by accidents through traffic law enforcement, speed enforcement and road traffic safety education at schools and other institutions. Another priority is to improve service delivery at the Traffic Centre. This will be achieved through service excellence and through identification of shortcomings and addressing these through training initiatives.

#### 3.19.1 Service Statistics – Traffic Services

Type of service	2014/15	2015/16	2016/17
Number of road traffic accidents during the year	849	875	807
Number of by-law infringements attended	103	96	311
Number of Traffic officers in the field on an average day	11	8	9
Number of Traffic officers on duty on an average day	14	11	15
Animals impounded	0	0	0
Motor vehicle licenses processed	28 201	24 885	26 116
Learner driver licenses processed	3 048	2 794	2 449
Driver licenses processed	2 417	2 561	2 401
Driver licenses issued	846	906	684
Fines issued for traffic offenses	15 501	12 670	41 813
R-value of fines collected	2 375 665	2 365 320	3 268 504
Operational call-outs/Complaints	250	471	409

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Roadblocks held	20	29	10
Special Functions – Escorts	18	36	72
Awareness initiatives on public safety	11	6	18

## 3.19.2 Employees – Traffic- and Law Enforcement Services

Employees: Traffic and Law Enforcement Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual	6	2	0
0 - 3	0	0	0
4 - 6	9	6	1
7 - 9	21	28	10
10 - 12	4	2	0
13 - 15	1	1	0
<b>Total</b>	<b>41</b>	<b>39</b>	<b>11</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.19.3 Capital expenditure – Traffic Services

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>R</b>					
Firearms	0	150 000	130 673	(19 327)	130 673
Traffic test center	800 000	285 930	137 679	(148 251)	2 100 000
<b>Total all</b>	<b>800 000</b>	<b>435 930</b>	<b>268 352</b>	<b>(167 578)</b>	<b>2 230 673</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## 3.20 FIRE SERVICES

The Fire Services function is provided in conjunction with the Cape Winelands District Municipality. An agreement was reached where support from the District Municipality would be enlisted as and when



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required by Witzenberg Municipality. Witzenberg Municipality mainly attends to urban fires in built areas and the District Municipality attends to fires outside urban areas. Support does, however, take place as and when needed. Personnel capacity does hamper the delivery of proper services, but a satellite fire station was implemented in Tulbagh and N'Duli to address this issue.

## 3.20.1 Service Statistics – Fire Services

Type of service	2014/15	2015/16	2016/17
Total fires attended in the year	530	374	616
Average turnout time - urban areas	9 min	10 min	10min
Average turnout time - rural areas	15 min	20 min	20min
Fire fighters in post at year end	8	8	8
Total fire appliances at year end	3	3	5
Total Operational call-outs	621	456	536
Reservists and volunteers not trained	0	0	0
Awareness Initiatives on Fire Safety	84	90	100
Working of Fire	15	10	12

## 3.20.2 Employees – Fire and Disaster Services

Employees: Fire and Disaster Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual	0	0	0
0 - 3	0	0	0
4 - 6	3	2	4
7 - 9	3	3	0
10 - 12	1	2	0
13 - 15	1	1	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>4</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

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## 3.20.3 Capital expenditure – Fire Services

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Vehicle replacement programme	2 300 000	2 300 000	2 296 886	(3 114)	2 296 886
Radio communication equipment		119 000	114 769	(4 231)	114 769
<b>Total all</b>	<b>2 300 000</b>	<b>3 419 000</b>	<b>2 411 655</b>	<b>(7 345)</b>	<b>2 411 655</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## 3.21 OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

The Disaster Management function is not fully developed yet and personnel for the function do not exist. The function is delivered in conjunction with the Cape Winelands District Municipality and the Fire Services and Traffic Department. The municipality completed a Disaster Management Plan and which Council has approved for implementation. No serious disasters were experienced during the past year. Support is given to families in informal areas where fires have demolished structures. Support depends on the extremity of the situation, but includes temporary housing in community facilities and food parcels being distributed to support the displaced families.

The municipality does not enforce animal licensing at this stage. Animal control is, however, problematic as the municipality does not manage an animal pound and it is too expensive to impound animals in neighbouring towns which do manage pounds. At this stage, as a control measure, the municipality has appointed 10 animal monitors in the different areas. Currently, the budget for these employees amounts to R 25 200 per month. Monitors function on the basis of the EPWP programme. The function of these monitors is to ensure that the animals are not a problem to residents or a danger to road traffic. The biggest challenge is roaming cattle and horses. Several accidents were reported where cows and goats was involved in collisions with motor vehicles. The municipality is, however, looking at possible service level agreements with other institutions, as mentioned in Section 76(b) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). Animals have been already impounded in terms of Section 6(1)(e) of the Witzenberg Municipality, By-law Relating to Pounds, No 7404 of 19 June 2015, where a land owner on whose property the animals were trespassing, is authorised to impound these animals. Another challenge is the monitoring of animals during weekends and after hours during week days. Animal complaints average 4 per week and may vary depending on the situation. At this stage, meetings are being held with roaming animal owners and in some instances, compliance notices are served. The municipality is continuously looking at alternatives in combatting these challenges.

Public nuisances' are addressed by the Traffic Department. Complaints on nuisances received are documented and reported on in the Traffic Monthly Report.

## COMPONENT G: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

The municipality manages one resort, the Pine Forest Resort. This resort offers the following facilities for visitors and the local community:

- 🍷 97 accommodation units that can house 557 people with day braais.
- 🍷 21 normal camping sites and 280 sites for long-term rentals
- 🍷 1 recreation hall
- 🍷 2 conference halls with seating of 50 and 80
- 🍷 1 Olympic size and 2 smaller for kids, swimming pools
- 🍷 The recreation area includes a play park for kids, putt-putt, trampolines, table tennis, badminton and squash courts

The number of visitors for 2016/17 applicable to accommodation units and normal camping sites, amounted to R 4 765 307 (43 391 bed nights).

Besides the swimming pools in Pine Forest Resort, six more swimming pools are available to the local community in:

- 🍷 Ceres (one)
- 🍷 Tulbagh (one)
- 🍷 Wolseley (one)
- 🍷 Bella Vista (one)
- 🍷 PA Hamlet (one)
- 🍷 N'Duli (one)

According to ticket sales 3 984 adults and 48 916 kids visited the outside pools during 2016/17 (Revenue of R137 672 for the period October 2016 to April 2017).

All pools are maintained daily to ensure clean and safe pools for visitors.

### 3.22 SPORT AND RECREATION

#### 3.22.1 Service Delivery indicators – Sport and recreation

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL27	Provide & maintain facilities that make citizens feel at home	Customer satisfaction survey (Score 1-5) - community facilities	Score of survey	2.33	2.5	2.2	
Reason for under-performance:							
Results point at a poor perception from communities on especially parks and sports fields from areas that include informal settlements that usually do not have sufficient space for the development of these facilities. It should also be noted that both the target and actual achievement falls under the "Fair" range of perception.							
Corrective measures:							
The development of parks & sports facilities is included in the planning and upgrading of informal areas as according to the Housing Plan.							

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## 3.22.2 Employees – Sport and recreation

Employees: Sport and recreation			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual	0	0	0
0 - 3	16	15	1
4 - 6	20	20	0
7 - 9	1	1	0
10 - 12	0	0	0
13 - 15	0	0	0
<b>Total</b>	<b>37</b>	<b>36</b>	<b>1</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.22.3 Capital expenditure – Sport and recreation

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Pine Forest fence & laminated flooring		1 245 031	1 200 573	(44 458)	1 200 573
Refurbishment of “DieEiland” swimming pool.	500 000	624 000	624 000	0	624 000
<b>Total all</b>	<b>500 000</b>	<b>1 869 031</b>	<b>1 824 573</b>	<b>(44 458)</b>	<b>1 824 573</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

### 3.23 FINANCIAL SERVICES

An important factor considered by investors in relocating to an area is the ability of the authorities to demonstrate adequate provision of services, financial discipline, affordable tariffs, adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally accepted accounting practices and unqualified audit reports.

#### Operational financing

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Council's policy is to fund operating expenses from normal revenue streams with short term borrowing being used as a last resort for capital expenditure. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings.

## Working Capital

It is Council's intention to create sufficient cash reserves by way of good financial management including the setting aside of adequate provisions for working capital.

## Revenue raising strategy

The guidance on how to improve the payment ratio of the area can be found in the Credit Control and Debt Collection Policy. This Policy highlights the procedures to be followed in the collection of all money owed to the Municipality.

## Expenditure Management

To reduce expenditure on non-core functions, by considering Public Private Partnerships.

### 3.23.1 Service statistics – Financial Services

Debt Recovery						
Details of the types of account raised and recovered	2015/16			2016/17		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
R'000						
Property Rates	55 604	52 556	94.5	59,649	59,160	99.2%
Electricity	227 278	225 891	99.4	243,784	246,247	101.0%
Water	47 528	32 139	67.6	41,777	32,632	78.1%
Sanitation	29 745	23 754	79.9	26,511	21,348	80.5%
Refuse	30 220	25 808	85.4	27,297	21,737	79.6%
Other	8 322	9 253	111.2	4,525	4,165	92.1%
<b>Total</b>	<b>398 698</b>	<b>369 402</b>	<b>92.65</b>	<b>403,542</b>	<b>385,289</b>	<b>95.48%</b>
<i>The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues</i>						

### 3.23.2 Service Delivery indicators – Financial services

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL1	Sustainable provision & maintenance of basic infrastructure	% Expenditure on Maintenance Budget by Technical Directorate	Percentage of budget spent	97.9%	98%	99%	

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Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL2	Sustainable provision & maintenance of basic infrastructure	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent	99.50%	95%	98.3%	
TL4	Sustainable provision & maintenance of basic infrastructure	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service	Percentage of outstanding applications	0%	<1%	0%	
TL5	Sustainable provision & maintenance of basic infrastructure	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service	Percentage of outstanding applications	0%	<1%	0%	
TL6	Sustainable provision & maintenance of basic infrastructure	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service	Percentage of outstanding applications	0.04%	<1%	0.05%	
TL7	Sustainable provision & maintenance of basic infrastructure	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service	Percentage of outstanding applications	0%	<1%	0%	
TL16	Support institutional transformation & development	Percentage budget spent on implementation of Workplace Skills Plan	Percentage of budget spent	100%	95%	98%	
TL18	Ensure financial viability	Financial viability expressed as Debt-Coverage ratio	Ratio	35.9	16	39.7	
TL19	Ensure financial viability	Financial viability expressed as Cost-Coverage ratio	Ratio	3.6	1.6	2.4	
TL20	Ensure financial viability	Financial viability expressed outstanding service debtors	Ratio	55%	44%	54%	
Reason for under-performance:							
Credit control measures are limited in areas where electricity is supplied by Eskom. This concern has been addressed by SALGA but no workable solution has been reached to date. An additional contributing factor to the none achievement of the KPI is due to limited applications for indigent support within these areas.							
Corrective measures:							
Implementation of water management meters to limit water consumption and to address the non-payment for the water service.							
TL21	Ensure financial viability	Opinion of the Auditor-General on annual financial statements of the previous year	Opinion of AG	Clean Audit	Clean Audit	Clean Audit	
TL22	Ensure financial viability	Increased revenue collection	Percentage revenue collected	94%	95%	95%	

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Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL23	Ensure financial viability	Percentage of budget spent on maintenance	Percentage of budget spent	98.53%	98%	99%	
TL24	Ensure financial viability	Percentage spend of capital budget	Percentage of budget spent	96.9%	95%	97.4%	
TL28	Provide & maintain facilities that make citizens feel at home	% Expenditure on Maintenance Budget by Community Directorate	Percentage of budget spent	99.91%	98%	99.9%	
TL29	Provide & maintain facilities that make citizens feel at home	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent	83.5%	95%	96.1%	

## 3.23.3 Employees – Financial Services

Employees: Financial Services			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual	20	11	0
0 - 3	0	0	0
4 - 6	22	27	1
7 - 9	5	3	0
10 - 12	3	7	1
13 - 15	2	2	0
16 - 18	2	1	1
<b>Total</b>	<b>59</b>	<b>51</b>	<b>3</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.24 HUMAN RESOURCE SERVICES

The section for Human Resources within Witzenberg Municipality incorporates the following disciplines:

-  Recruitment and selection
-  Leave administration
-  Benefit administration
-  Labour relations
-  Training and development
-  Health and safety performance management
-  Work study administration

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## 3.24.1 Service statistics –Human Resources

Details	2014/15	2015/16	2016/17
Number of HR policies reviewed	0	0	0
Number of total permanent employees	482	495	519
Number of total temporary employees	65	43	74
Number of total injuries (injury on duty cases)	93	52	70
Number of total approved annual leave days taken	11 767.75	11 203.75	10 243.5
Number of family responsibility leave days taken	621.50	525.5	462.75
Number of total Health and Safety Representatives	20	19	18
Number of total First Aiders	17	20	38
Number of sick days leave taken	4 607.75	4 064.5	4 147.75
Number of termination	42	31	39
Number of new employees appointed	38	29	74
Number of total employees trained	182	271	328
Number of total female employees trained	34	71	131
Number of total male employees trained	148	200	197
Number of total learner ships enrolled	3	4	7
Number of total training courses rolled out	28	17	45
Total percentage budget spend on training	100%	100%	98%

## 3.24.2 Service Delivery indicators – Human Resources

Ref	Strategic Objective	KPI	Unit of Measurement	Actual performance of 2015/16	Overall Performance 2016/17		
					Target	Actual	R
TL17	Support institutional transformation & development	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	74%	75%	75%	
TL16	Support institutional transformation & development	Percentage budget spent on implementation of Workplace Skills Plan	Percentage of budget spent	100%	95%	98%	

## 3.24.3 Employees – Human Resources

Employees: Human Resources			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)








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	No.	No.	No.
Contractual	1	1	0
0 - 3	0	0	0
4 - 6	1	1	0
7 - 9	1	1	0
10 - 12	3	3	1
13 - 15	0	0	0
16 - 18	1	1	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The department's functions include:

-  Management and maintenance of the IT infrastructure that includes hardware and software
-  Update and maintenance of municipal website
-  Upkeep and maintenance of LAN and WAN
-  Administration of the electronic documents system (TRIM)
-  Manage service providers for outsourced functions.

### 3.25.1 Service statistics –ICT Services

Details	2014/15	2015/16	2016/17
Desktop support	247	271	304
Network support	203	265	289
Network downtime experienced	2 hours	4 hours	5 hours
Server downtime experienced (total for 15 servers)	24 hours	30 hours	27 hours
File restores requested	47	33	51

### 3.25.2 Employees – ICT

Employees: ICT			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual	0	0	0
0 - 3	0	0	0
4 - 6	0	0	1

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Employees: ICT			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
7 - 9	0	0	0
10 - 12	1	1	0
13 - 15	0	0	0
16 - 18	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>
<i>Employees and Posts numbers are as at 30 June.</i>			

## 3.26 RISK MANAGEMENT AND INTERNAL AUDIT

Witzenberg Municipality does not have a Risk Management sub-directorate. The responsibility for Risk Management and the duties of a Chief Risk Officer has been delegated to the Chief Financial Officer and Internal Audit. Internal Audit is assisting the Chief Risk Officer with the development of the risk management policy, strategy and implementation plan, facilitating identification and assessment of risks, and disseminating risk reports. Portfolio directors and risk owners are responsible to maintain controls, the implementation of action plans to mitigate risk and to improve controls.

The risk register of the municipality is reviewed and updated on a continuous basis and reassessed annually to form the basis for the compilation of the 3 year audit strategy and the annual Risk Based Audit Plan.

Internal Audit is an in-house function that performs internal audits based on the approved Risk Based Audit Plan and other statutory audits as required by the MFMA and MSA.

The Internal Audit function reports functionally to the Performance, Risk and Audit Committee and administratively to the Municipal Manager.

### 3.26.1 Service statistics –Internal Audit

Details	2014/15	2015/16	2016/17
Compilation of the Risk Based Audit and 3 year strategic plans	1	1	1
Internal Audits	13	19	17

### 3.26.2 Employees – Internal Audit

Employees: Internal Audit			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.





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Employees: Internal Audit			
Job Level	2015/16	2016/17	
	Employees	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.
Contractual	0	0	0
0 - 3	0	0	0
4 - 6	0	0	0
7 - 9	0	0	0
10 - 12	1	1	0
13 - 15	1	1	0
16 - 18	1	1	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>
<i>Employees and Posts numbers are as at 30 June.</i>			


## 3.27 LEGAL SERVICES

Legal Services manage the implementation, monitoring, evaluation and reporting sequences of outcomes associated with programmes designed to accomplish key service delivery objectives with respect to Legal Services. This is achieved through co-ordination of operations against departmental, statutory and audit guidelines to ensure that the service is managed and maintained in accordance with laid down quality standards, customer focused to ensure legal compliance and provide legal direction in ensuring effective and efficient service delivery.




The main objectives are as follows:

-  To distribute all new legislation and proclamations to all Departments;
-  To promulgate by-laws;
-  To provide legal opinions and input on policies, agreements, legislation, bylaws and authorities; and
-  Attend to on-going litigant matters within the legislative timeframes.

The highlights for the year under review were as follows:

-  No big civil matters / claims against the municipality

The challenges for the year under review were as follows:

-  Increase in illegal invasion of land, lengthy and expensive legal procedures;
-  Proper funding and budget control to ensure that the department operate on both an optimum and efficient level;
-  Increase in illegal house shops, lengthy and expensive legal procedures.

## 3.28 STRATEGIC SUPPORT: OTHER

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## 3.28.1 Capital Expenditure – Strategic Support: Other

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
R					
Office Furniture - Witzenberg	150 000	303 330	288 603	(14 727)	288 603
<b>Total all</b>	<b>150 000</b>	<b>303 330</b>	<b>288 603</b>	<b>(14 727)</b>	<b>288 603</b>
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).</i>					

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Witzenberg Municipality currently employs 586 officials, (permanent + temporary employees), excluding councillors, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

#### 4.1.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

##### Employment Equity targets/actual

African			Coloured			Indian			White		
Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
33%	25%	58%	50%	68%	137%	1%	0%	1%	16%	6%	22%

##### *2016/17 EE targets/Actual by racial classification*

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
48.92%	64.58%	113.5%	51.08%	45.23%	96.31%	0	0	0

##### *2016/17 EE targets/actual by gender classification*

##### Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	29 300	76 451	272	8 944	114 967
% Population	25.5	66.5	0.2	7.8	100
Number for positions filled	171	382	1	32	586
% for Positions filled	29.2	65.2	0.1	5.5	100
Note: The total population numbers is based on projection done by Global Insight					

##### *EE population 2016/17*

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## Occupational Categories – Race

Below is a table that indicates the number of employees by race within the specific occupational categories (including the Councillors):

Posts filled									
Occupational	Male				Female				Total
Categories	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	3	23	0	8	5	5	0	1	45
Professionals	0	8	0	0	3	12	0	4	27
Technicians and associate professionals	1	22	0	2	1	6	0	0	32
Clerks	4	16	0	0	11	40	0	8	79
Service and sales workers	13	15	0	2	5	16	0	0	51
Craft and related trades workers	5	23	0	2	0	0	0	0	30
Plant and machine operators and assemblers	13	26	0	2	1	0	0	0	42
Elementary occupations	62	108	0	0	28	31	0	0	229
<b>Total permanent</b>	<b>101</b>	<b>241</b>	<b>0</b>	<b>16</b>	<b>54</b>	<b>110</b>	<b>0</b>	<b>13</b>	<b>535</b>
Non-permanent employees	9	17	0	2	7	14	1	1	51
<b>Grand total</b>	<b>110</b>	<b>258</b>	<b>0</b>	<b>18</b>	<b>61</b>	<b>124</b>	<b>1</b>	<b>14</b>	<b>586</b>

### *Occupational Categories*

## Occupational Levels - Race

The table below categorize the number of employees by race within the occupational levels (excluding 23 councillors)

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management	0	1	0	0	0	0	0	0	1
Senior management	1	0	0	2	0	1	0	0	4
Professionally qualified and experienced specialists and mid-management	0	14	0	7	3	13	0	3	40
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	11	51	0	4	6	22	0	5	99
Semi-skilled and discretionary decision making	25	101	0	0	16	44	0	4	190
Unskilled and defined decision making	51	79	0	0	22	25	0	0	177

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Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
<b>Total permanent</b>	<b>88</b>	<b>247</b>	<b>0</b>	<b>13</b>	<b>47</b>	<b>105</b>	<b>0</b>	<b>12</b>	<b>512</b>
Non- permanent employees	15	31	0	2	10	14	1	1	<b>74</b>
<b>Grand total</b>	<b>103</b>	<b>278</b>	<b>0</b>	<b>15</b>	<b>57</b>	<b>119</b>	<b>1</b>	<b>13</b>	<b>586</b>

## Occupational Levels

### Departments - Race

The following table categorize the number of employees by race within the different departments (excluding 23 councillors):

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	3	0	2	1	4	0	0	<b>8</b>
Corporate Services	7	25	0	2	5	23	0	3	<b>65</b>
Financial Services	2	19	0	1	5	18	0	6	<b>51</b>
Community Services	26	72	0	3	26	47	20	2	<b>176</b>
Technical Services	53	128	0	5	10	13	0	1	<b>212</b>
<b>Total permanent</b>	<b>88</b>	<b>247</b>	<b>0</b>	<b>13</b>	<b>47</b>	<b>105</b>	<b>0</b>	<b>12</b>	<b>512</b>

### 4.1.2 Vacancy Rate

The approved organogram for the municipality has 865 posts for the 2016/17 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. Budgeted vacant posts were 52 vacant at the end of 2016/17, resulting in a vacancy rate of 6%.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant Budgeted Positions
MM & MSA section 57 & 56	5	0
Middle management	22	2
Professionals	66	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	117	18
Semi-skilled and discretionary decision making	133	8
Unskilled and defined decision making	200	18
<b>Total</b>	<b>543</b>	<b>52</b>
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant Budgeted Positions

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PER POST LEVEL		
Post level	Filled	Vacant Budgeted Positions
Office of the Municipal Manager	12	0
Corporate Services	74	6
Financial Services	54	5
Community Services	176	13
Technical Services	222	28
<b>Total</b>	<b>543</b>	<b>52</b>

The table below indicates the vacancies per Section 57 and 56 posts:

Salary Level	Number of Section 57 and 56 vacancies	Vacancy % (as a proportion of the total Section 57 and 56 posts)
Municipal Manager	0	0
Chief Financial Officer	0	0
Director: Corporate Services	0	0
Director: Community Services	0	0
Director: Technical Services	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 4.1.3 Employee Turnover Rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a decrease from 7.5% in 2014/15, 5.5% in 2015/16 to 7% in 2016/17.

The table below indicates the employee turnover rate over the last three years:

Financial year	Total no appointments at the end of each Financial Year	New appointments (Permanent Appointments)	No Terminations during the year	Turnover Rate
2014/15	559	38	42	7.5%
2015/16	561	29	31	5.5%
2016/17	543	74	39	7%

## 4.2 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

### 4.2.1 Injuries on duty

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the



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injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an increase for the 2016/17 financial year of 70 employees compared to 52 employees in the 2015/16 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

The table below indicates the total number of injuries within the different directorates:

Directorates	2014/15	2015/16	2016/17
Office of the Municipal Manager	1	0	0
Corporate Services	0	3	3
Financial Services	4	3	1
Community Services	42	12	28
Technical Services	46	34	38
<b>Total</b>	<b>93</b>	<b>52</b>	<b>70</b>

## 4.2.2 Sick Leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave days that have been taken during the 2016/17 financial year shows a slight increase when compared with the 2015/16 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2014/15	2015/16	2016/17
Office of the Municipal Manager	37.5	54	52.5
Corporate Services	450.75	530	428.75
Financial Services	414.5	347	356
Community Services	1 578	1 473.5	1 406
Technical Services	2 127	1 660	1 904.5
<b>Total</b>	<b>4 607.75</b>	<b>4 064.5</b>	<b>4 147.75</b>

## 4.2.3 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the management of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved
Attendance and Punctuality	4 August 2010

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Approved policies	
Name of policy	Date approved
Employment Practice	4 August 2010
Employment Equity	4 August 2010
Employees under the Influence of Intoxicating Substances	4 August 2010
Legal Aid Policy	4 August 2010
Relocation Policy	4 August 2010
HIV/Aids Policy	4 August 2010
Internal Bursary	4 August 2010
Occupational Health And Safety	4 August 2010
Incapacity due to Poor Work Performance	4 August 2010
Sexual Harassment Policy	4 August 2010
Incapacity: Due to Ill Health/Injury Policy	4 August 2010
Private Work and Declaration of Interests	4 August 2010
Overtime Policy	31 May 2012
Proposed Scares Skills Policy	31 May 2012
Employee Assistance Policy	31 May 2012
Employment Policy	29 February 2012
Remuneration Policy	To be developed
Training and Development Policy	To be developed
Personnel Protective Equipment Policy	To be developed
Time and Attendance Policy	To be developed

## 4.3 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

### 4.3.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	2	2
Legislators, senior officials and managers	Female	6	11
	Male	13	21

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Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Professionals	Female	15	16
	Male	7	5
Associate professionals and Technicians	Female	2	3
	Male	6	14
Clerks	Female	46	50
	Male	25	14
Service and sales workers	Female	13	22
	Male	24	24
Craft and related trade workers	Female	0	0
	Male	14	22
Plant and machine operators and assemblers	Female	1	1
	Male	30	21
Elementary occupations	Female	45	24
	Male	169	78
Sub total	Female	128	127
	Male	290	201
Total		418	328

*Note: The reason why the figures differ from those in table 63 is due to the fact that some employees that have been identified for training are being identified for more than one training/workshop/skills course. In some instances the employees that are attending learnerships are also booked for a skills course*

## 4.3.2 Skills Development – Training Provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learner ships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% achieved
MM and S57	Female	1	0	0	0	0	0	0	100
	Male	4	0	0	2	2	2	2	100
Legislators, senior officials and managers	Female	11	0	0	11	6	11	6	183
	Male	27	0	0	21	13	21	13	161

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Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learner ships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% achieved
Professionals	Female	18	2	3	14	12	16	15	106
	Male	12	0	0	5	7	5	7	71
Technicians and associate professionals	Female	4	0	0	3	2	3	2	150
	Male	16	4	6	10	0	14	6	233
Clerks	Female	68	10	11	40	35	50	46	108
	Male	32	3	4	11	21	14	25	56
Service and sales workers	Female	32	0	3	22	10	22	13	169
	Male	30	0	2	24	22	24	24	100
Craft and related trade workers	Female	0	0	0	0	0	0	0	100
	Male	16	0	7	22	7	22	14	157
Plant and machine operators and assemblers	Female	1	0	0	1	1	1	1	100
	Male	36	7	10	14	20	21	30	70
Elementary occupations	Female	62	0	11	24	34	24	45	53
	Male	232	11	29	67	140	78	169	46
Sub total	Female	197	12	25	115	103	127	128	99
	Male	405	25	58	176	232	201	290	69
Total		602	37	86	291	332	328	418	78

## Skills Development

### 4.3.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R 934 500 were allocated to the workplace skills plan and that 98.39% of the total amount was spent in the 2016/17 financial year:

Total workplace skills plan budget	Total Allocated	Total Spend	% Spend
934 500	934 500	919 429.82	98.39%

### 4.3.4 Employee Performance Rewards

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an 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.

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- The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of Section 57 employees that received performance rewards during the 2016/17 financial year.

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female	0	0	0%
	Male	1	1	100%
Asian	Female	0	0	0%
	Male	0	0	0%
Coloured	Female	1	1	100%
	Male	1	1	100%
White	Female	0	0	0%
	Male	2	2	100%
Disability	Female	0	0	0%
	Male	0	0	0%
Total		5	5	100%

## 4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

### 4.4.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well below the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	%
2014/15	114 914	408 354	28.1
2015/16	120 121	451 210	26.6
2016/17	132 456	455 063	29.1

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2015/16	2016/17
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Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
<b>Councillors (Political Office Bearers plus Other)</b>				
Allowance	8 578	9,213	8,748	8,595
Pension Contributions	8	155	5	1
Medical Aid Contributions	63	71	71	98
Motor vehicle allowance	0	0	0	0
Cell phone allowance	13	26	102	85
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
<b>Sub Total - Councillors</b>	<b>8 662</b>	<b>9 465</b>	<b>8 926</b>	<b>8 780</b>
<b>% increase/ (decrease)</b>	<b>7.4</b>			<b>1.4</b>
<b>Senior Managers of the Municipality</b>				
Salary	3 847	4 062	4 112	4 112
Pension Contributions	678	794	812	812
Medical Aid Contributions	46	900	910	910
Motor vehicle allowance	820	66	0	0
Cell phone allowance	0	767	774	774
Housing allowance	0	289	385	385
Performance Bonus	730	4 062	4 112	4 112
Other benefits or allowances	0	794	812	812
In-kind benefits	0			
<b>Sub Total - Senior Managers of Municipality</b>	<b>6 121</b>	<b>6 878</b>	<b>6 993</b>	<b>6 993</b>
<b>% increase/ (decrease)</b>	<b>6.1%</b>			<b>6.57%</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	72 516	81 532	80 929	79 483
Pension Contributions	16 549	21 456	21 049	19 097
Medical Aid Contributions	3 461	4 251	4 067	4 059
Motor vehicle allowance	1 382	5 269	4 462	1 367
Cell phone allowance	7 692	10 152	7 348	8 642
Housing allowance	12 477	14 271	14 339	12 972
Overtime	72 516	81 532	80 929	79 483
Other benefits or allowances	16 549	21 456	21 049	19 097
<b>Sub Total - Other Municipal Staff</b>	<b>114 077</b>	<b>136 931</b>	<b>132 195</b>	<b>125 620</b>
<b>% increase/ (decrease)</b>	<b>3.9%</b>			<b>10.12%</b>

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Financial year	2015/16	2016/17		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000
<b>Total Municipality</b>	<b>120 639</b>	<b>143 809</b>	<b>139 188</b>	<b>132 613</b>
<b>% increase/ (decrease)</b>	<b>4.0%</b>			<b>9.93%</b>

## 4.5 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as required by the regulation:

Financial Competency Development: Progress Report				
Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	3	3	3	3
Any other financial officials	2	2	2	2
<b>Supply Chain Management Officials</b>				
Heads of supply chain management units	1	1	1	1
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

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## CHAPTER 5 – FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

#### 5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2016/17 financial year:

Description	2015/16	2016/17			2016/17 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF		
<b>Financial Performance</b>						
Property rates	55 604	60 005	60 005	59 649	(0,59)	(0,59)
Service charges	279 542	295 515	295 515	286 621	(3,01)	(3,01)
Investment revenue	6 772	4 480	4 480	8 512	89,99	89,99
Transfers recognised - operational	71 441	134 609	101 344	101 429	(24,65)	0,08
Other own revenue	46 727	37 904	38 441	115 032	203,48	199,24
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>460 086</b>	<b>532 514</b>	<b>499 785</b>	<b>571 242</b>	<b>7,27</b>	<b>14,30</b>
Employee costs	120 893	143 316	137 759	133 333	(6,97)	(3,21)
Remuneration of councillors	8 662	9 465	8 926	8 780	(7,24)	(1,64)
Depreciation & asset impairment	27 173	39 480	26 922	26 143	(33,78)	(2,90)
Finance charges	16 764	11 094	17 011	16 957	52,85	(0,32)
Materials and bulk purchases	160 425	179 221	179 221	179 203	(0,01)	(0,01)
Transfers and grants	969	881	947	941	6,79	(0,65)
Other expenditure	115 206	169 871	155 524	147 339	(13,26)	(5,26)
<b>Total Expenditure</b>	<b>450 092</b>	<b>553 329</b>	<b>526 312</b>	<b>512 695</b>	<b>(7,34)</b>	<b>(2,59)</b>
<b>Surplus/(Deficit)</b>	<b>9 994</b>	<b>(20 815)</b>	<b>(26 527)</b>	<b>58 548</b>	<b>(381,28)</b>	<b>(320,71)</b>
Transfers recognised - capital	55 447	51 580	38 378	38 768	(24,84)	1,02
Contributions recognised - capital & contributed assets	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>65 440</b>	<b>30 765</b>	<b>11 851</b>	<b>97 316</b>	<b>216,32</b>	<b>721,15</b>
Share of surplus/ (deficit) of associate					–	–
<b>Surplus/(Deficit) for the year</b>	<b>65 440</b>	<b>30 765</b>	<b>11 851</b>	<b>97 316</b>	<b>216,32</b>	<b>721,15</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	52 492	22 470	25 216	36 225	61,21	43,66
Public contributions & donations					–	–
Borrowing		2 500	–		(100,00)	–
Internally generated funds	23 003	33 929	35 151	22 558	(33,51)	(35,83)
<b>Total sources of capital funds</b>	<b>75 495</b>	<b>58 899</b>	<b>60 367</b>	<b>58 783</b>	<b>(0,20)</b>	<b>(2,62)</b>



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Description	2015/16	2016/17			2016/17 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF		
<b>Financial position</b>						
Total current assets	165 366	128 678	131 864	150 794	17,19	14,36
Total non current assets	791 236	868 750	868 062	874 960	0,71	0,79
Total current liabilities	96 384	55 551	58 049	73 511	32,33	26,64
Total non current liabilities	158 428	159 348	159 348	153 138	(3,90)	(3,90)
Community wealth/Equity	701 789	782 529	782 529	799 105	2,12	2,12
<b>Cash flows</b>						
Net cash from (used) operating	118 565	69 050	68 362	47 548	(31,14)	(30,45)
Net cash from (used) investing	(76 862)	(69 728)	(69 040)	(58 751)	(15,74)	(14,90)
Net cash from (used) financing	(7 046)	(9 736)	(9 736)	(9 504)	(2,38)	(2,38)
<b>Cash/cash equivalents at the year end</b>	97 040	52 699	52 699	76 333	44,85	44,85
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	97 040	52 699	55 885	76 333	44,85	36,59
Application of cash and investments	175 252	(12 003)	(12 878)	166 772	(1 489,42)	(1 395,00)
<b>Balance - surplus (shortfall)</b>	(78 213)	64 702	68 763	(90 439)	(239,78)	(231,52)
<b>Asset management</b>						
Asset register summary (WDV)	712 703	732 122	746 148	808 059	10,37	8,30
Depreciation & asset impairment	27 173	39 480	26 922	26 143	(33,78)	(2,90)
Renewal of Existing Assets	4 011	5 073	7 753	7 132	40,61	(8,00)
Repairs and Maintenance	20 142	21 759	21 780	23 001	5,71	5,61
<b>Free services</b>						
Cost of Free Basic Services provided	18 287	21 119	22 667	20 274	(4,00)	(10,56)
Revenue cost of free services provided	23 684	26 557	26 557	22 068	(16,91)	(16,91)
<b>Households below minimum service level</b>						
Water:	Nil	Nil	Nil	Nil	Nil	Nil
Sanitation/sewerage:	Nil	Nil	Nil	Nil	Nil	Nil
Energy:	Nil	Nil	Nil	Nil	Nil	Nil
Refuse:	Nil	Nil	Nil	Nil	Nil	Nil
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						T5.1.1

The table below shows a summary of performance against budgets:

Financial Year	Revenue excluding capital transfers				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	(R'000)				(R'000)			
2015/16	448 355	460 086	11 731	2,62	470 419	450 092	20 327	4,32
2016/17	499 785	571 242	71 457	14,30	526 312	512 695	13 617	2,59

## 5.1.1 Revenue collection by vote

The table below indicates the Revenue collection performance by vote:

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Vote Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	(R'000)			(% )		
Vote1 - Executive and Council	5 011	949	949	267	(71,87)	(71,87)
Vote2 - Budget and Treasury Office	69 850	76 831	73 773	79 235	3,13	7,40
Vote3 - Corporate Services	5 626	1 544	544	15 120	879,49	2 681,09
Vote4 - Planning and Development	980	1 410	1 410	1 309	(7,19)	(7,19)
Vote5 - Public Safety	8 548	12 809	12 809	19 229	50,12	50,12
Vote6 - Health	–	–	–	–	–	–
Vote7 - Community and Social Services	65 777	70 098	71 565	71 561	2,09	(0,00)
Vote8 - Sports and Recreation	14 945	8 502	8 502	22 976	170,23	170,23
Vote9 - Housing	837	56 685	25 648	24 611	(56,58)	(4,05)
Vote10 - Waste Management	23 219	21 736	21 736	22 144	1,88	1,88
Vote11 - Road Transport	14 253	4 487	7 241	60 771	1 254,33	739,25
Vote12 - Waste Water Management	49 456	30 444	31 885	30 417	(0,09)	(4,60)
Vote13 - Water	53 495	76 752	59 450	40 582	(47,13)	(31,74)
Vote14 - Electricity	202 549	221 846	222 115	221 653	(0,09)	(0,21)
Vote15 - Environmental Management	986	–	536	367	–	(31,67)
<b>Total Revenue by Vote</b>	<b>515 533</b>	<b>584 093</b>	<b>538 163</b>	<b>610 242</b>	<b>4,48</b>	<b>13,39</b>

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3*

## 5.1.2 Revenue collection by Source

The table below indicates the Revenue collection performance by source for the 2016/17 financial year:

Vote Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	(R'000)			(% )		
Property rates	55 604	60 005	60 005	59 649	(0,59)	(0,59)
Property rates - penalties & collection charges	1 435	1 400	1 400	1 452	3,74	3,74
Service Charges - electricity revenue	198 426	215 414	215 414	215 351	(0,03)	(0,03)
Service Charges - water revenue	39 174	39 203	39 203	33 438	(14,71)	(14,71)
Service Charges - sanitation revenue	20 990	19 968	19 968	18 008	(9,81)	(9,81)
Service Charges - refuse revenue	20 952	20 929	20 929	19 824	(5,28)	(5,28)
Service Charges - other	–	–	–	–	–	–
Rentals of facilities and equipment	8 169	9 339	9 339	8 177	(12,44)	(12,44)
Interest earned - external investments	6 772	4 480	4 480	8 512	89,99	89,99
Interest earned - outstanding debtors	9 828	5 474	5 474	7 816	42,79	42,79
Dividends received	–	–	–	–	–	–
Fines	8 559	12 820	12 820	19 242	50,10	50,10
Licences and permits	161	168	168	142	(15,61)	(15,61)
Agency services	4 237	4 274	4 274	4 352	1,83	1,83
Transfers recognised - operational	71 441	134 609	101 344	101 429	(24,65)	0,08
Other revenue	14 338	4 430	4 966	73 849	1 567,16	1 387,06
Gains on disposal of PPE	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and)</b>	<b>460 086</b>	<b>532 514</b>	<b>499 785</b>	<b>571 242</b>	<b>7,27</b>	<b>14,30</b>

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3*

## 5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2016/17 financial year:

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Financial Performance of Operational Services						
						R '000
Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	AA	AH	AG	AF		
<b>Operating Cost</b>						
Water	21 522	24 430	21 571	20 399	16,50	5,44
Waste Water (Sanitation)	22 567	21 635	24 212	25 189	(16,43)	(4,03)
Electricity	181 158	202 565	201 513	201 063	0,74	0,22
Waste Management	37 665	36 113	40 061	39 799	(10,20)	0,66
Housing	2 907	59 860	28 823	27 456	54,13	4,74
Component A: sub-total	265 819	344 603	316 182	313 906	8,91	0,72
Waste Water (Stormwater Drainage)	3 989	6 415	4 999	4 625	27,91	7,47
Roads	21 635	18 627	17 395	17 098	8,21	1,70
Transport					–	–
Component B: sub-total	25 625	25 043	22 394	21 724	13,25	2,99
Planning					–	–
Local Economic Development					–	–
Component B: sub-total					–	–
Planning	841	1 183	1 280	1 035	12,56	19,15
Local Economic Development	1 818	1 479	1 970	1 826	(23,44)	7,31
Component B: sub-total	2 659	2 662	3 250	2 861	(7,44)	11,97
Planning (Strategic & Regulatory)	13 321	15 795	16 638	15 833	(0,24)	4,84
Environmental Protection	1 063	1 302	2 359	1 675	(28,61)	29,00
Health	–	–	–	–	–	–
Security and Safety	18 302	25 145	32 108	30 160	(19,94)	6,07
Sport and Recreation	18 043	20 538	20 281	18 212	11,33	10,21
Corporate Policy Offices and Other	105 260	118 241	113 100	108 325	8,39	4,22
Component D: sub-total	155 990	181 021	184 487	174 204	3,77	5,57
<b>Total Expenditure for the year</b>	<b>450 092</b>	<b>553 329</b>	<b>526 312</b>	<b>512 695</b>	<b>7,34</b>	<b>2,59</b>
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.1.2

The bulk of the municipality's expenditure is spent on basic service delivery functions such as electricity, water, waste water management and waste management.

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## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

### 5.2.1 Executive and council

Vote Description	2015/16	2016/17		2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Adjust-ments Budget
	(R'000)			(%)	
Total Operational Revenue	5 011	949	949	267	0
Expenditure:					
Employees	(9 616)	(11 726)	(10 425)	(10 121)	2,91
Repairs and Maintenance	(268)	(39)	(55)	(44)	21,29
Other	(16 715)	(18 856)	(16 496)	(15 356)	6,91
Total Operational Expenditure	(26 599)	(30 621)	(26 977)	(25 521)	5,40
Net Operational (Service) Expenditure	(21 587)	(29 672)	(26 028)	(25 254)	2,97

### 5.2.2 Budget and Treasury Office

Vote Description	2015/16	2016/17		2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Adjust-ments Budget
	(R'000)			(%)	
Total Operational Revenue	69 850	76 831	73 773	79 235	(7,40)
Expenditure:					
Employees	(11 303)	(13 715)	(12 714)	(12 679)	0,28
Repairs and Maintenance	(24)	(46)	(306)	(89)	70,92
Other	(19 453)	(23 155)	(18 779)	(17 418)	7,25
Total Operational Expenditure	(30 780)	(36 916)	(31 799)	(30 186)	5,07
Net Operational (Service) Expenditure	39 070	39 914	41 974	49 049	(16,86)

### 5.2.3 Corporate Services

Vote Description	2015/16	2016/17		2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Adjust-ments Budget
	(R'000)			(%)	
Total Operational Revenue	5 626	1 544	544	15 120	(2 681,09)
Expenditure:					
Employees	(15 303)	(16 331)	(18 032)	(17 131)	5,00
Repairs and Maintenance	(674)	(1 145)	(903)	(1 155)	(27,86)
Other	(14 372)	(13 567)	(16 265)	(17 111)	(5,20)
Total Operational Expenditure	(30 350)	(31 043)	(35 200)	(35 398)	(0,56)
Net Operational (Service) Expenditure	(24 724)	(29 500)	(34 657)	(20 278)	41,49

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## 5.2.4 Community and Social Services

Vote Description	2015/16	2016/17		2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(% )		
Total Operational Revenue	65 777	70 098	71 565	71 561	(2,09)	0,00
Expenditure:						
Employees	(13 304)	(15 846)	(15 596)	(14 976)	5,49	3,97
Repairs and Maintenance	(303)	(607)	(1 459)	(1 017)	(67,64)	30,25
Other	(4 627)	(4 909)	(5 330)	(5 182)	(5,56)	2,77
Total Operational Expenditure	(18 233)	(21 362)	(22 384)	(21 176)	0,87	5,40
Net Operational (Service) Expenditure	47 544	48 737	49 181	50 386	(3,38)	(2,45)

## 5.2.5 Sport and Recreation

Vote Description	2015/16	2016/17		2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(% )		
Total Operational Revenue	14 945	8 502	8 502	22 976	(170,23)	(170,23)
Expenditure:						
Employees	(12 534)	(15 588)	(14 960)	(13 395)	14,07	10,46
Repairs and Maintenance	(992)	(1 167)	(1 471)	(1 377)	(18,04)	6,39
Other	(7 150)	(6 624)	(6 663)	(5 749)	13,21	13,72
Total Operational Expenditure	(20 676)	(23 379)	(23 094)	(20 521)	12,22	11,14
Net Operational (Service) Expenditure	(5 731)	(14 877)	(14 591)	2 455	116,50	116,82

## 5.2.6 Public Safety

Vote Description	2015/16	2016/17		2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(% )		
Total Operational Revenue	8 548	12 809	12 809	19 229	(50,12)	(50,12)
Expenditure:						
Employees	(8 339)	(9 230)	(9 117)	(10 286)	(11,44)	(12,83)
Repairs and Maintenance	(261)	(420)	(636)	(498)	(18,50)	21,64
Other	(9 703)	(15 495)	(22 355)	(19 376)	(25,05)	13,33
Total Operational Expenditure	(18 302)	(25 145)	(32 108)	(30 160)	(19,94)	6,07
Net Operational (Service) Expenditure	(9 754)	(12 336)	(19 299)	(10 931)	11,39	43,36

## 5.2.7 Housing

Vote Description	2015/16	2016/17		2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(% )		
Total Operational Revenue	837	56 685	25 648	24 611	56,58	4,05
Expenditure:						
Employees	(2 150)	(2 672)	(2 672)	(2 315)	13,37	13,37
Repairs and Maintenance	(134)	(151)	(197)	(185)	(22,57)	6,23
Other	(623)	(57 037)	(25 954)	(24 956)	56,25	3,85
Total Operational Expenditure	(2 907)	(59 860)	(28 823)	(27 456)	54,13	4,74
Net Operational (Service) Expenditure	(2 070)	(3 175)	(3 175)	(2 845)	10,39	10,39

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## 5.2.8 Planning and Development

Vote Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Total Operational Revenue	980	1 410	1 410	1 309	7,19	7,19
Expenditure:						
Employees	(6 688)	(8 144)	(7 684)	(7 454)	8,47	2,99
Repairs and Maintenance	(5)	(19)	(17)	(4)	79,11	77,27
Other	(2 197)	(2 306)	(2 797)	(2 083)	9,69	25,52
Total Operational Expenditure	(8 889)	(10 469)	(10 498)	(9 541)	8,86	9,11
Net Operational (Service) Expenditure	(7 909)	(9 059)	(9 087)	(8 232)	9,12	9,41

## 5.2.9 Road Transport

Vote Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Total Operational Revenue	14 253	4 487	7 241	60 771	(1 254,33)	(739,25)
Expenditure:						
Employees	(6 058)	(7 059)	(6 904)	(6 706)	5,00	2,87
Repairs and Maintenance	(7 976)	(6 854)	(7 233)	(7 206)	(5,13)	0,37
Other	(10 585)	(8 159)	(6 575)	(6 252)	23,38	4,92
Total Operational Expenditure	(24 618)	(22 073)	(20 713)	(20 164)	8,65	2,65
Net Operational (Service) Expenditure	(10 364)	(17 586)	(13 471)	40 608	330,91	401,43

## 5.2.10 Environmental Protection

Vote Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Total Operational Revenue	986	–	536	367	–	31,67
Expenditure:						
Employees	(730)	(845)	(845)	(845)	0,07	0,07
Repairs and Maintenance	–	–	–	–	–	–
Other	(333)	(457)	(1 514)	(830)	(81,63)	45,15
Total Operational Expenditure	(1 063)	(1 302)	(2 359)	(1 675)	(28,61)	29,00
Net Operational (Service) Expenditure	(76)	(1 302)	(1 823)	(1 308)	(0,46)	28,21

## 5.2.11 Electricity

Vote Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Total Operational Revenue	202 549	221 846	222 115	221 653	0,09	0,21
Expenditure:						
Employees	(7 986)	(9 672)	(9 082)	(8 900)	7,99	2,01
Repairs and Maintenance	(3 953)	(4 951)	(4 280)	(4 094)	17,31	4,36
Other	(169 220)	(187 942)	(188 151)	(188 070)	(0,07)	0,04
Total Operational Expenditure	(181 158)	(202 565)	(201 513)	(201 063)	0,74	0,22
Net Operational (Service) Expenditure	21 391	19 281	20 601	20 589	(6,79)	0,06

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## 5.2.12 Water

Vote Description	2015/16	2016/17		2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Total Operational Revenue	53 495	76 752	59 450	40 582	47,13	31,74
Expenditure:						
Employees	(5 755)	(7 414)	(6 464)	(6 076)	18,04	5,99
Repairs and Maintenance	(2 288)	(1 772)	(2 297)	(2 229)	(25,77)	2,99
Other	(13 479)	(15 244)	(12 810)	(12 148)	20,31	5,17
Total Operational Expenditure	(21 522)	(24 430)	(21 571)	(20 453)	16,28	5,19
Net Operational (Service) Expenditure	31 973	52 322	37 878	20 129	61,53	46,86

## 5.2.13 Waste Water Management

Vote Description	2015/16	2016/17		2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Total Operational Revenue	49 456	30 444	31 885	30 417	0,09	4,60
Expenditure:						
Employees	(9 813)	(11 482)	(11 082)	(10 471)	8,81	5,52
Repairs and Maintenance	(2 986)	(4 706)	(4 890)	(4 771)	(1,37)	2,44
Other	(13 757)	(11 862)	(13 239)	(14 573)	(22,86)	(10,08)
Total Operational Expenditure	(26 556)	(28 050)	(29 211)	(29 814)	(6,29)	(2,07)
Net Operational (Service) Expenditure	22 900	2 394	2 674	603	74,82	77,45

## 5.2.14 Waste Management

Vote Description	2015/16	2016/17		2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	(R'000)			(%)		
Total Operational Revenue	23 219	21 736	21 736	22 144	(1,88)	(1,88)
Expenditure:						
Employees	(11 314)	(13 591)	(12 181)	(11 976)	11,88	1,69
Repairs and Maintenance	(280)	(321)	(498)	(333)	(3,97)	33,08
Other	(26 885)	(22 202)	(27 382)	(27 490)	(23,82)	(0,39)
Total Operational Expenditure	(38 478)	(36 113)	(40 061)	(39 799)	(10,20)	0,66
Net Operational (Service) Expenditure	(15 260)	(14 378)	(18 325)	(17 655)	(22,79)	3,66

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## 5.3 GRANTS

### 5.3.1 Grant Performance

The table below indicates the grant performance for the 2016/17 financial year:

Grant Performance							
R' 000							
Description	2014/15	2015/16	2016/17			2016/17 Variance	
	Actual	Actual	Original Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>75 976</b>	<b>80 443</b>	<b>87 241</b>	<b>89 169</b>	<b>89 476</b>	<b>(2,56)</b>	<b>(0,34)</b>
Equitable share	54 124	54 850	59 734	59 734	59 734	(0,00)	(0,00)
Municipal Systems Improvement	820	860	957	–	–	100,00	–
Department of Water Affairs	–	–	–	–	–	–	–
Levy replacement	–	–	–	–	–	–	–
Other transfers/grants [insert desc]	–	–	–	–	–	–	–
Finance Management Grant	1 377	1 240	1 475	1 475	1 609	(9,10)	(9,10)
Transformation Funds	–	–	–	–	–	–	–
Municipal Infrastructure Grant	18 623	19 116	17 739	21 624	21 879	(23,34)	(1,18)
Housing	–	–	–	–	–	–	–
INEP	–	3 362	5 000	5 000	4 917	1,65	1,65
Rural Development	–	74	1 000	–	–	100,00	–
Expanded Public Works	1 031	941	1 336	1 336	1 336		
Neighbourhood Development Plan	–	–	–	–	–	–	–
<b>Provincial Government:</b>	<b>54 244</b>	<b>43 114</b>	<b>64 365</b>	<b>46 131</b>	<b>45 124</b>	<b>29,89</b>	<b>2,18</b>
Health subsidy	–	–	–	–	–	–	–
Housing	44 714	27 008	56 000	32 675	31 960	42,93	2,19
Ambulance subsidy	–	–	–	–	–	–	–
Sports and Recreation	–	–	–	–	–	–	–
Other transfers/grants [insert desc]	–	–	–	–	–	–	–
Library Services	8 909	7 862	7 975	9 342	9 301	(16,63)	0,43
CDW	94	66	150	150	66	55,70	55,70
Mainroads	–	3 772	120	120	120	–	–
Draught Relief	–	4 043	–	1 650	2 405	–	(45,77)
Municipal Infrastructure Support Gr	527	151	–	1 754	1 187	–	32,37
Finance Management Support Gran	–	–	120	340	85	28,96	74,93
Multipurpose Centre	–	211	–	100	–	–	100,00
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Water & Sanitation Informal Area	–	–	–	–	–	–	–
Housing Consumer Education Traini	–	–	–	–	–	–	–
Upgrading of Streets & Sidewalks	–	–	–	–	–	–	–
Solid Waste	–	–	–	–	–	–	–
<b>Other grant providers:</b>	<b>5 461</b>	<b>5 060</b>	<b>6 942</b>	<b>5 158</b>	<b>6 427</b>	<b>7,42</b>	<b>(24,61)</b>
Belgium & China	479	1 729	200	736	831	(315,34)	(12,79)
VAT on Grants	4 982	3 331	6 742	4 422	5 597	16,99	(26,58)
<b>Total Operating Transfers and Grants</b>	<b>135 681</b>	<b>128 616</b>	<b>158 548</b>	<b>140 458</b>	<b>141 027</b>	<b>11,05</b>	<b>(0,41)</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							T5.3.1



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The table below indicates the projects implemented under MIG funding for the past 3 years:

Project Name	Budget (VAT excl) '000			Comments
	2014/15	2015/16	2016/17	
Vredebes bulk water supply	8 125	4 756	6 997	Provision of bulk and external services for the Vredebes subsidised housing project.
Vredebes bulk sanitation	2 295	4 671	2 018	
Vredebes Access Collector			3 252	
Vredebes Bulk Storm water			270	
Vredebes Bus Routes			77	
Wolseley bulk water supply	1 442	2 662		Project Completed
Bella Vista bulk water supply	785		5 168	Provision of bulk and external services for the Bella Vista subsidised housing project.
Bella Vista bulk sanitation	1 688	3 463	1 378	
Bella Vista bulk storm water		3 389	1 547	
Tulbagh upgrading WWTW	2 754			Project Completed
Wolseley Pine Valley Hall	137			Project Completed
Wolseley Pine Valley Sports Facilities	1 302			Project Completed
Streetlights for housing projects		88	909	Project Completed
Project Management Unit	86	75	216	

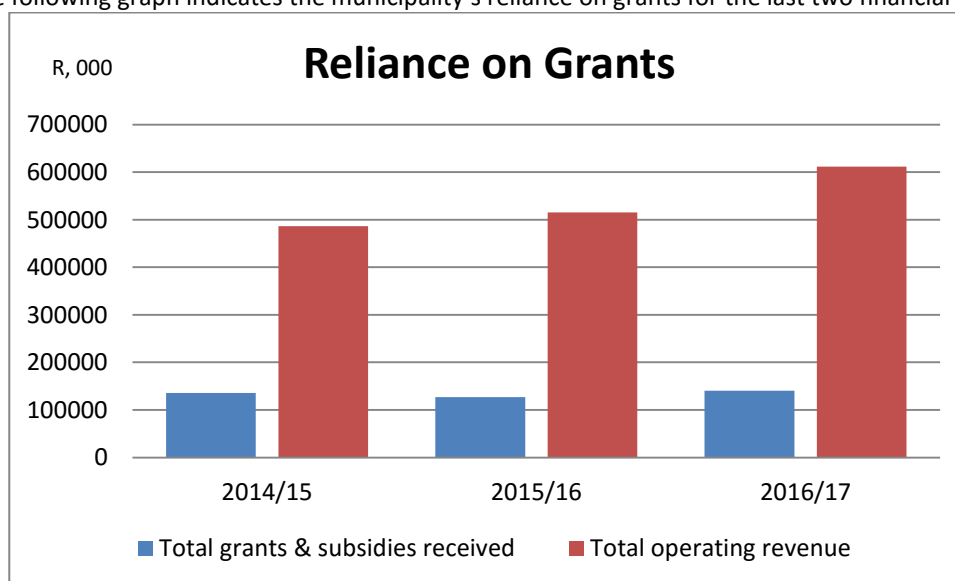
The table below indicates the projects implemented under Human Settlements funding for the past 3 years:

Project Name	Budget (VAT excl) '000			Comments
	2014/15	2015/16	2016/17	
Tulbagh Chris Hani	3 982			Project halted.
Vredebes Planning	6 000			In progress
Vredebes (605 serviced sites)	3 723	22 811		Completed
Vredebes Bulk Sanitation		3 149	5 606	Completed
Nduli Planning			260	In progress
Nduli EHP Erf 8299	70			Completed
Bella Vista Planning	772			Completed
Bella Vista (services)	12 562	1 049	2 089	Completed
Bella Vista (308 units)			23 813	In progress
Wolseley 707	296			Completed
Op-Die-Berg (services)	580			Completed
Op-Die-Berg (250 units)	3 894			Completed
Op-Die-Berg (Transfers)			129	Completed
Nduli EHP Erf 8299	70			Completed
Tulbagh EHP Erf 2885			62	Completed
Pine Valley (158 serviced sites)	9 369			Completed
Pine Valley Hall	3 460			Completed

## 5.3.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	(R'000)		(%)
2015/16	126 887	515 533	24,61%
2016/17	140 197	610 010	22,98%

The following graph indicates the municipality's reliance on grants for the last two financial years



Witzenberg Municipality is reliant on grants. Without the grants the Municipality would not have been in a position to upgrade infrastructure.

## 5.4 ASSET MANAGEMENT

The responsibility for asset management lies with both finance and the different functional/departmental managers. The Finance section is responsible for the record keeping and reporting on the assets, whereas the functional managers are responsible for the physical safeguarding of assets, the maintenance, acquisition and disposal of assets.

It is of utmost importance that these two functional areas communicate on a regular basis regarding all movement of assets. Especially in respect of the annual assets count, where information regarding the existence, condition and useful lives regarding assets is reviewed and reported on.

The implementation of GRAP (accounting standard for municipalities) remains a challenge to the Municipality due to the cost and time factors.

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## 5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	Vredebes Housing Project	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	<p>Line Manager identify the need for the project and sets out the specifications required for SCM.</p> <p>Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project.</p> <p>Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain, with the support of the Line Manager &amp; Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.</p>	
Asset Value	2015/16	2016/17
Capital Implications	R	53 943 887,06
Future Purpose of Asset	New Housing Development in Vredebes	
Describe Key Issues		
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

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Asset 2		
Name	Bella Vista Housing Project	
Description		
Asset Type	Infrastructure	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain,with the support of the Line Manager & Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2015/16	2016/17
Capital Implications	R 18 285 362,80	
Future Purpose of Asset	New Housing Development in Bella Vista	
Describe Key Issues		
Policies in Place to Manage Asset	Delegations & Asset Management Policy	
Asset 3		
Name	Electrical Network Housing Project	
Description		
Asset Type	Infrastructure - Electricity	
Key Staff Involved	Relevant Line manager, Project Management, Budget Office & Supply Chain Management	
Staff Responsibilities	Line Manager identify the need for the project and sets out the specifications required for SCM. Project Manager manage the implementation of the project, sets the Cash flow for the project and reports on a monthly basis on the stage of completion/performance of the project. Budget Office identifies the available Capital Funds and see to it that the project is approved and placed on the Capital Budget. Supply Chain,with the support of the Line Manager & Project Manager, draft the required Tender Docurement and see to it that the procuremt procedures and regulations are complied with in obtaining the necessary goods and services.	
Asset Value	2015/16	2016/17
Capital Implications	R 8 180 473,91	
Future Purpose of Asset	Improved Electrical Infrastructure	
Describe Key Issues		
Policies in Place to Manage Asset	Delegations & Asset Management Policy	

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## 5.4.2 Repairs and Maintenance

Repair and Maintenance Expenditure: 2016/17				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	22 197	24 242	23 001	(3,62)
T5.3.4				

The future expenditure on repairs and maintenance needs to be expanded to ensure that assets are maintained in a condition that is conducive for service delivery.

## 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2014/2015	2015/2016	2016/2017
		Audited outcome	Audited outcome	Pre-audit outcome
Current Ratio	Current Assets/Current Liabilities	1,79	1,72	2,05
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,58	1,67	1,99
Liquidity Ratio	Monetary Assets/Current Liabilities	0,89	1,01	1,04

Current Ratio:

Financial year	Net current assets	Net current liabilities	Ratio
	(R)		
2014/2015	124 969	69 746	1,79
2015/2016	165 366	96 384	1,72
2016/2017	150 794	73 511	2,05

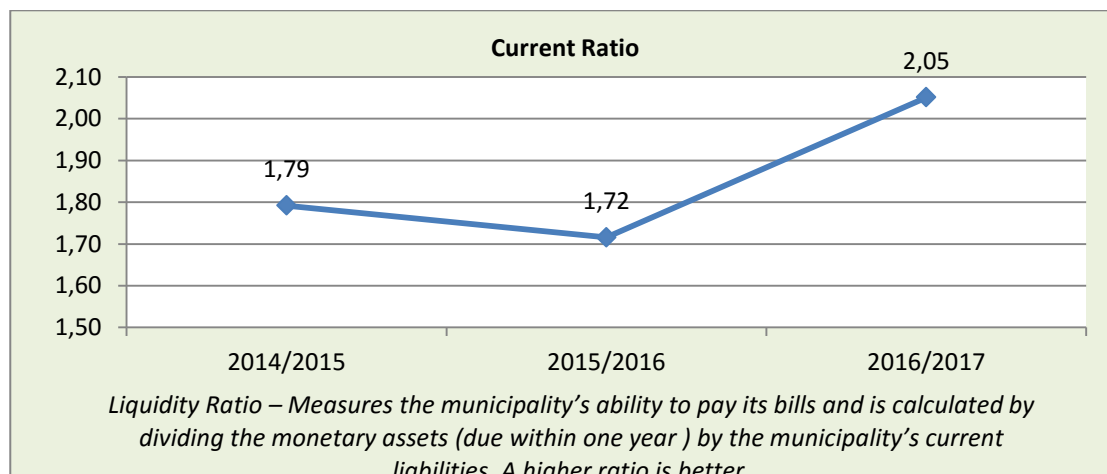
Current Ratio adjusted for aged debtors:

Financial year	Net current assets	Net current liabilities	Ratio
	(R)		
2014/2015	109 916	69 746	1,58
2015/2016	161 076	96 384	1,67
2016/2017	146 505	73 511	1,99

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Liquidity Ratio:

Financial year	Monetary Assets	Net current liabilities	Ratio
	(R)		
2014/2015	62 383	69 746	0,89
2015/2016	97 040	96 384	1,01
2016/2017	76 333	73 511	1,04

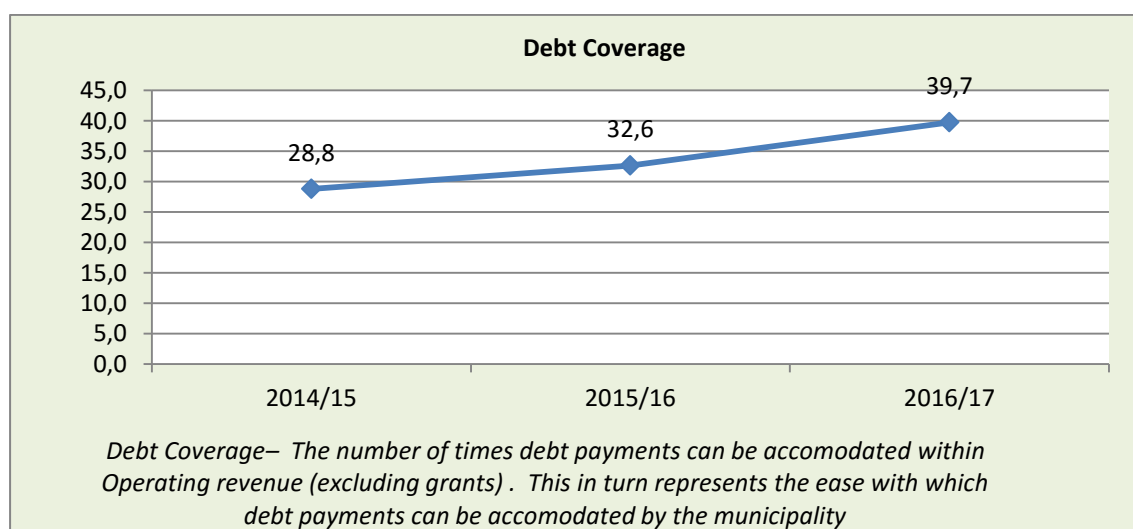
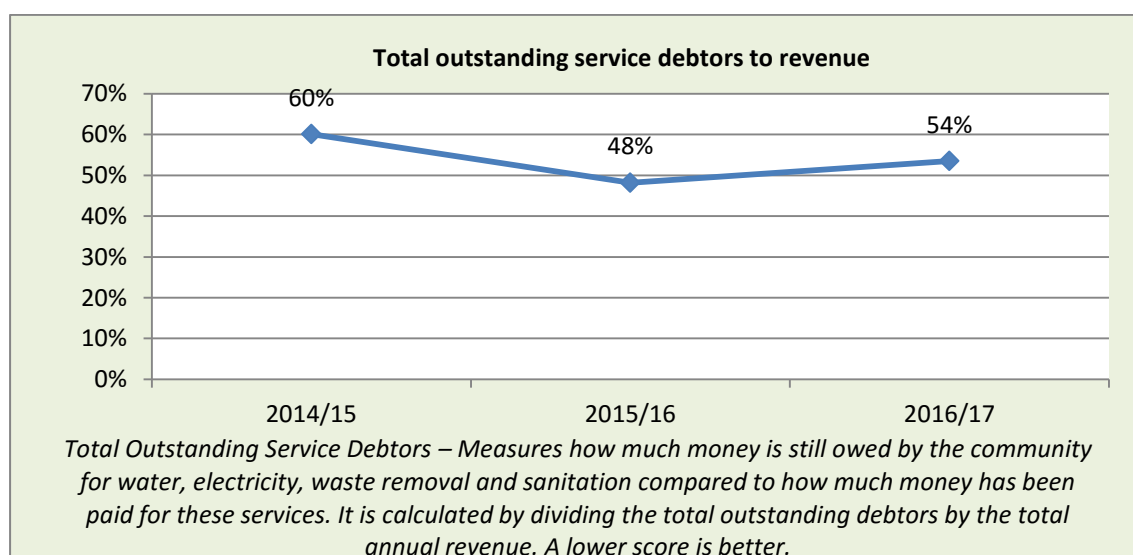
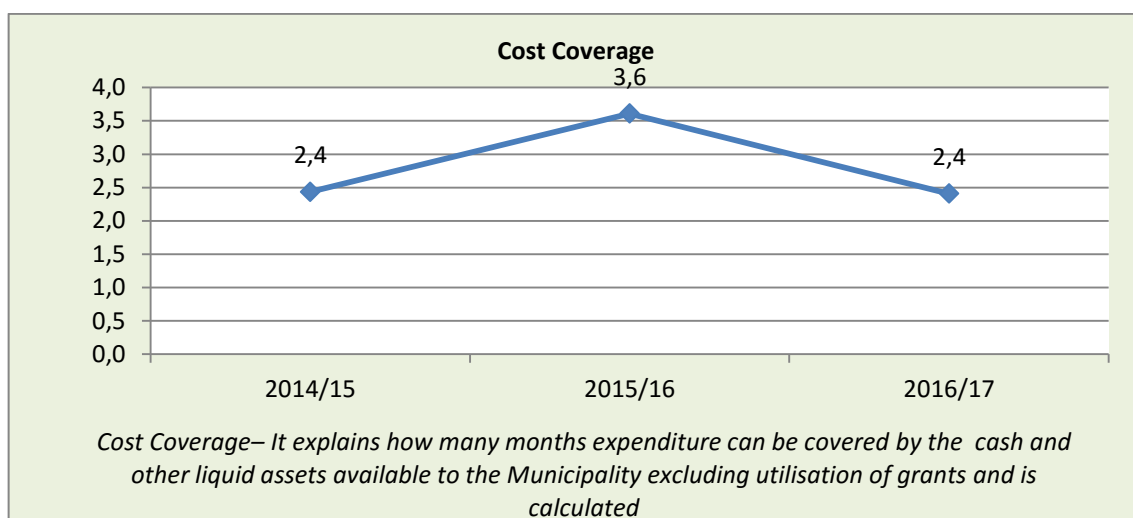


The current ratio and the current ratio adjusted for aged debt are the same as the debtors per the statement of financial performance and have already been impaired (reduced with the doubtful debt).

## 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2014/15	2015/16	2016/17
		Audited outcome	Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2,4	3,6	2,4
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	28,8	32,6	39,7
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	60%	48%	54%

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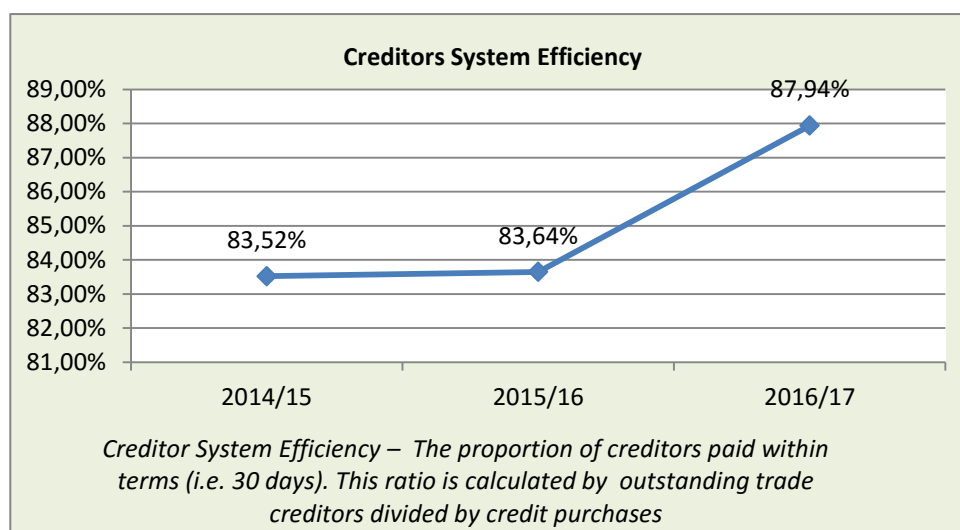


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## 5.5.3 Creditors Management

Description	Basis of calculation	2014/15	2015/16	2016/17
		Audited outcome	Audited outcome	Pre-audit outcome
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	83,52%	83,64%	87,94%

The following graph indicates the percentage of all creditors paid within terms:

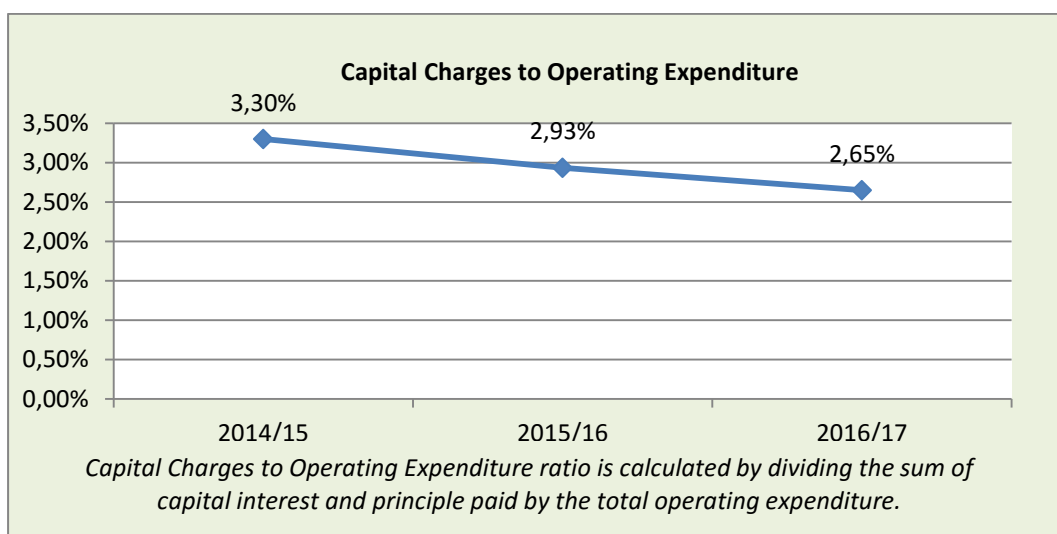


## 5.5.4 Borrowing Management

Description	Basis of calculation	2014/15	2015/16	2016/17
		Audited outcome	Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3,30%	2,93%	2,65%

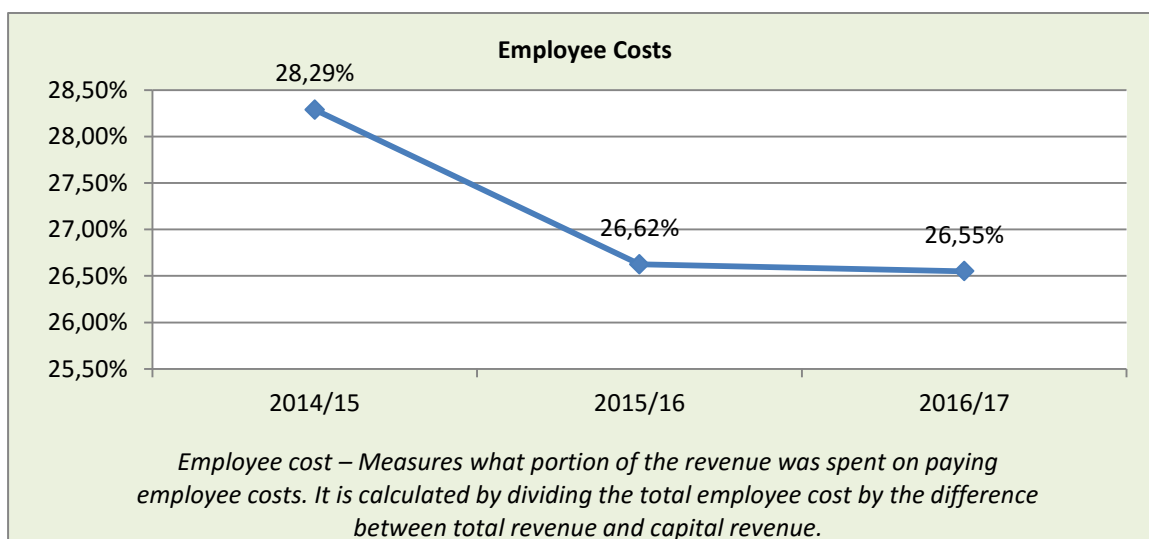


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## 5.5.5 Employee costs

Description	Basis of calculation	2014/15	2015/16	2016/17
		Audited outcome	Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	28,29%	26,62%	26,55%

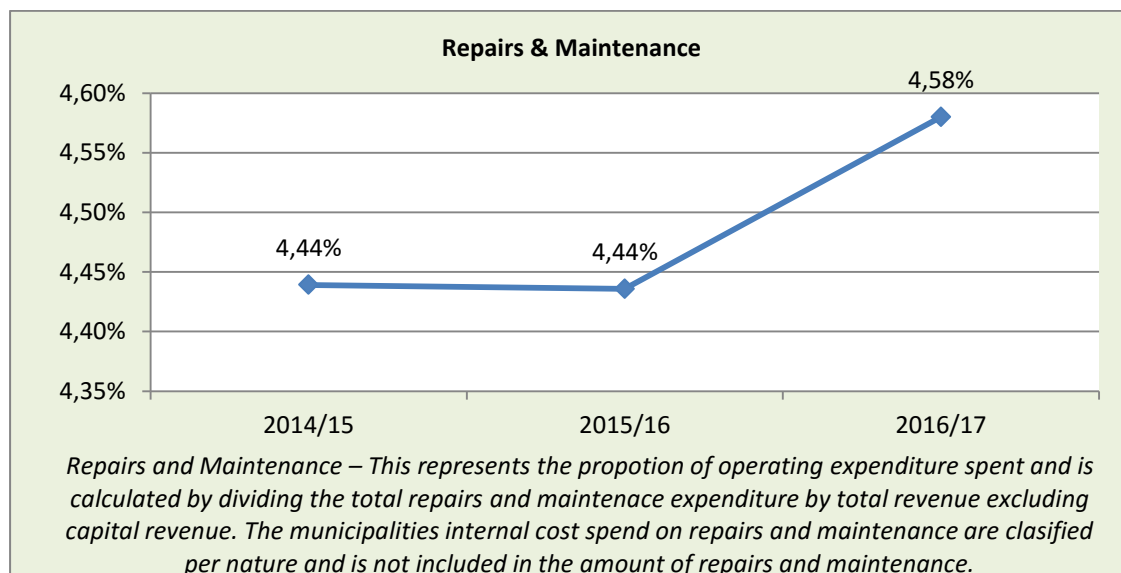


## 5.5.6 Repairs & Maintenance

Description	Basis of calculation	2014/15	2015/16	2016/17
		Audited outcome	Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4,44%	4,44%	4,58%

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The expenditure on repairs and maintenance are below the required standard. The financial position of the municipality must improve to make more funds available for this very important expense item.



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 CAPITAL EXPENDITURE

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	58 899	60 367	58 783	0,2%	2,6%
Operating Expenditure	553 109	523 878	512 630	7,3%	2,1%
<b>Total expenditure</b>	<b>612 008</b>	<b>584 245</b>	<b>571 413</b>	<b>6,6%</b>	<b>2,2%</b>

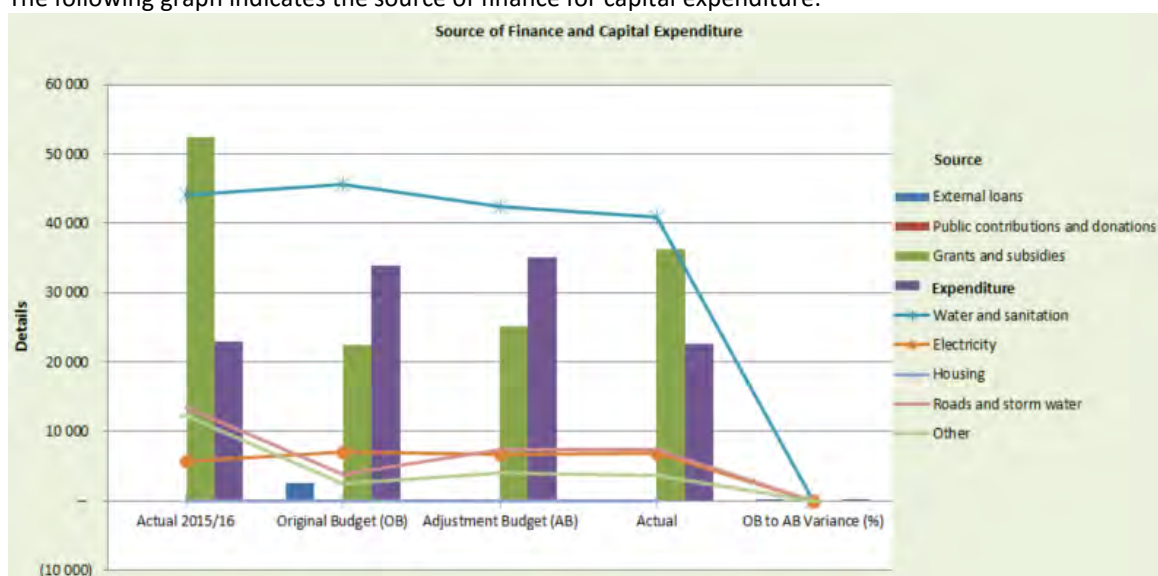
### 5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2016/17 financial year:

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Capital Expenditure - Funding Sources to 2016/17						
R' 000						
Details	2016/17					
	Actual 2015/16	Original Budget (OB)	Adjustment Budget (AB)	Actual	OB to AB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans	–	2 500	–	–	100,00	–
Public contributions and donations	–	–	–	–	–	–
Grants and subsidies	52 492	22 470	25 216	36 225	(61,21)	(43,66)
Other	23 003	33 929	35 151	22 558	33,51	35,83
<b>Total</b>	<b>75 495</b>	<b>58 899</b>	<b>60 367</b>	<b>58 783</b>	<b>0,20%</b>	<b>2,62%</b>
<b>Percentage of finance</b>						
External loans	0,0%	4,2%	0,0%	0,0%		
Public contributions and donations	0,0%	0,0%	0,0%	0,0%		
Grants and subsidies	69,5%	38,1%	41,8%	61,6%		
Other	30,5%	57,6%	58,2%	38,4%		
<b>Capital expenditure</b>						
Water and sanitation	44 103	45 598	42 359	40 958	10,18%	3,31%
Electricity	5 645	6 960	6 755	6 847	1,62%	-1,37%
Housing	–	–	–	–		
Roads and storm water	13 443	3 800	7 311	7 297	-92,03%	0,19%
Other	12 305	2 541	3 943	3 681	-44,87%	6,63%
<b>Total</b>	<b>75 495</b>	<b>58 899</b>	<b>60 367</b>	<b>58 783</b>	<b>0,20%</b>	<b>2,62%</b>
<b>Percentage of expenditure</b>						
Water and sanitation	58,4%	77,4%	70,2%	69,7%		
Electricity	7,5%	11,8%	11,2%	11,6%		
Housing	0,0%	0,0%	0,0%	0,0%		
Roads and storm water	17,8%	6,5%	12,1%	12,4%		
Other	16,3%	4,3%	6,5%	6,3%		
						T5.6.1

The following graph indicates the source of finance for capital expenditure:



# ANNUAL REPORT

## 5.8 CAPITAL SPENDING ON FIVE TARGETS PROJECTS

Projects with the highest capital expenditure in 2016/17:

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year: 2016/17			Variance Current Year: 2016/17	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Vredebes Housing	10 426	7 040	7 152	31%	32%
B - Bella Vista Housing	5 400	5 472	5 500	-2%	-1%
C - Electrical Network: Housing Project	-	515	515		
D- Drought Support	810	1 089	1 080	-33%	-34%
E - Network Street	2 300	2 300	2 297	0%	0%
* Projects with the highest capital expenditure in Year 0					

<b>Name of Project - A</b>	<b>A - Vredebes Housing</b>
Objective of Project	The Provision of Basic Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

<b>Name of Project - B</b>	<b>B - Bella Vista Housing</b>
Objective of Project	The Provision of Basic Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

<b>Name of Project - C</b>	<b>C - Electrical Network: Housing Project</b>
Objective of Project	The Provision of Basic Road Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

<b>Name of Project - D</b>	<b>D- Drought Support</b>
Objective of Project	The provision of Water in areas effected by the drought
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

<b>Name of Project - E</b>	<b>E - Network Street</b>
Objective of Project	The Provision of Basic Electric Services
Delays	
Future Challenges	The Cost of Planned & Unplanned Repairs & Maintenance to ensure the standard of service is maintained
Anticipated citizen benefits	Improved Basic Services and Quality Of Life

T5.7.1

## 5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW

All the residents in the urban areas have access to minimum basic services. Some areas still need to be upgraded to waterborne sewerage systems. Housing delivery is still a challenge, although it is a function of the Provincial Government. Service delivery to informal areas needs to be improved, serviced plots might be the only solution.

### 5.9.1 Service Backlogs

	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	12553	100%	0	0%
Sanitation	12603	100%	0	0%
Electricity	13508	100%	0	0%
Waste management	12140	100%	0	0%
Housing	14322	88%	1945	12%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				T5.8.2

### 5.9.2 Municipal Infrastructure Grant (MIG)

# ANNUAL REPORT

Municipal Infrastructure Grant (MIG)* Expenditure 2016/17 on Service backlogs					
R' 000					
Details	Budget	Adjust-ments Budget	Actual	Variance	
				Budget	Adjust-ments Budget
<b>Infrastructure - Road transport</b>	7 400	6 769	7 038	-5,14%	3,83%
<i>Roads, Pavements &amp; Bridges</i>	–	119	115	100,00%	-3,69%
<i>Storm water</i>	7 400	6 650	6 924	-6,88%	3,95%
<b>Infrastructure - Electricity</b>	4 355	1 378	1 378	-216,06%	0,00%
<i>Generation</i>	–	–	–		
<i>Transmission &amp; Reticulation</i>	–	–	–		
<i>Street Lighting</i>	4 355	1 378	1 378	-216,06%	0,00%
<b>Infrastructure - Water</b>	50	114	101	50,33%	-12,97%
<i>Dams &amp; Reservoirs</i>	–	–	–		
<i>Water purification</i>	–	–	–		
<i>Reticulation</i>	50	114	101	50,33%	-12,97%
<b>Infrastructure - Sanitation</b>	100	189	182	45,00%	-3,97%
<i>Reticulation</i>	100	189	182	45,00%	-3,97%
<i>Sewerage purification</i>	–	–	–		
<b>Infrastructure - Other</b>	–	–	–		
<i>Waste Management</i>	–	–	–		
<i>Transportation</i>	–	–	–		
<i>Gas</i>	–	–	–		
<b>Other Specify:</b>	–	–	–		
<i>Sport Facilities Wolseley</i>	–	–	–		
<i>Pine Valle Hall</i>	–	–	–		
<i>Project Management Equipment</i>	–	–	–		
<i>Operating Expenditure</i>	–	–	–		
<b>Total</b>	<b>11 905</b>	<b>8 450</b>	<b>8 699</b>	<b>-36,86%</b>	<b>2,86%</b>
<p>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>					

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## COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

Cash flow budgeting and management is of the utmost importance to ensure sufficient cash to meet obligations.

### 5.10 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2015/16	Current Year: 2016/17		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	329 408	362 290	362 290	342 088
Government - operating	71 441	134 809	134 809	101 429
Government - capital	64 922	51 580	52 947	29 848
Interest	18 035	9 954	9 954	17 780
Dividends				
<b>Payments</b>				
Suppliers and employees	(347 508)	(476 993)	(479 047)	(425 700)
Finance charges	(16 764)	(11 710)	(11 710)	(16 957)
Transfers and Grants	(969)	(881)	(881)	(941)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>118 565</b>	<b>69 050</b>	<b>68 362</b>	<b>47 548</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	111	–	–	3 037
Decrease (Increase) in non-current debtors	163	–	–	7
Decrease (increase) other non-current receivables		–	–	
Decrease (increase) in non-current investments	–	–	–	–
<b>Payments</b>				
Capital assets	(77 137)	(67 697)	(74 125)	(61 795)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(76 862)</b>	<b>(67 697)</b>	<b>(74 125)</b>	<b>(58 751)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	1 176			–
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits	743	–	–	449
<b>Payments</b>				
Repayment of borrowing	(8 965)	(9 736)	(9 736)	(9 952)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(7 046)</b>	<b>(9 736)</b>	<b>(9 736)</b>	<b>(9 504)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>34 657</b>	<b>(8 382)</b>	<b>(15 499)</b>	<b>(20 707)</b>
Cash/cash equivalents at the year begin:	62 383	63 113	63 113	97 040
Cash/cash equivalents at the year end:	<b>97 040</b>	<b>54 731</b>	<b>47 614</b>	<b>76 333</b>
Source: MBRR SA7				T5.9.1

# ANNUAL REPORT

## 5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	(R'000)					
2015/16	23 224	97 302	52 373	1 236	5 301	179 436
2016/17	23 714	108 878	64 128	1 483	3 733	201 937
Difference	489	11 577	11 755	248	(1 567)	22 501
% growth year on year	2%	12%	22%	20%	-30%	13%

*Note: Figures excludes provision for bad debt*

## 5.12 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2015/16	48 178	4 034	3 293	123 930	179 436
2016/17	49 671	4 301	2 888	145 078	201 937
Difference	1 493	267	(405)	21 147	22 501
% growth year on year	3%	7%	-12%	17%	13%

*Note: Figures excludes provision for bad debt*

The Auditor-General of South Africa has, in its report on the 2016/2017 financial statements of the Municipal Council, has emphasised the material impairment of R129 million of receivables from exchange transactions and R 54 million of receivables from non-exchange transactions.

The gross outstanding service debtors in total increased with 14.8% in relation to the 2015/2016 financial year.

The leading contributors to the outstanding debt are water at 33.3% and sanitation and refuse at 31.6%.

The effective implementation of the Credit Control Policy in areas where Eskom is a supplier of electricity is playing a major role in the escalation of the service debtors. Council has approved that prepaid water meters be installed in these areas which will assist in the recouping of the service charges.

The majority of households are working in the Agricultural sector which has been adversely affected by strikes and drought not only impacting negatively on the income potential of the breadwinners but also on the Municipal coffers.

Concerted efforts are being made, inter alia through our service provider to recover debts older than 90 days which constitutes 71.4% of total outstanding debt.

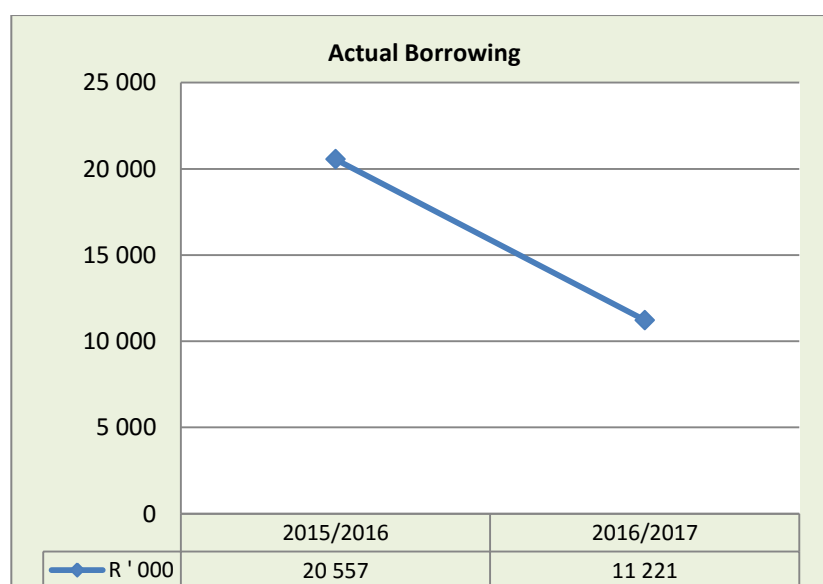


## 5.13 BORROWINGS AND INVESTMENT

### 5.13.1 Actual Borrowings

Instrument	2015/2016	2016/2017
	R'000	
Long(Term Loans (annuity/reducing balance)	20 557	11 221
Long(Term Loans (non(annuity)	0	0
Local registered stock	0	0
Instalment Credit	0	0
Financial Leases	0	0
PPP liabilities	0	0
Finance Granted By Cap Equipment Supplier	0	0
Marketable Bonds	0	0
Non(Marketable Bonds	0	0
Bankers Acceptances	0	0
Financial derivatives	0	0
Other Securities	0	0
<b>Municipality Total</b>	<b>20 557</b>	<b>11 221</b>

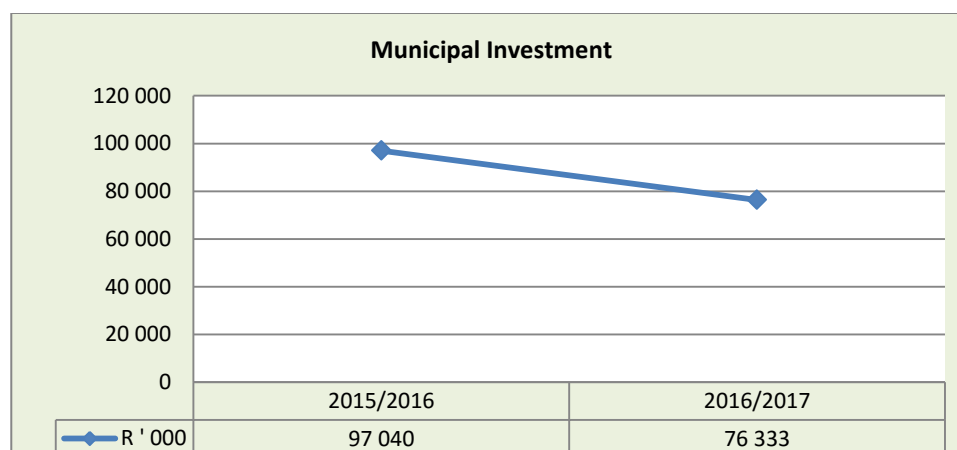
The following graph shows the municipal actual borrowings for the past three years:



## 5.13.2 Municipal Investments

Investment type	2015/2016	2016/2017
	R'000	R'000
Securities ( National Government	-	-
Listed Corporate Bonds	-	-
Deposits ( Bank	97 040	76 333
Deposits ( Public Investment Commissioners	-	-
Deposits ( Corporation for Public Deposits	-	-
Bankers Acceptance Certificates	-	-
Negotiable Certificates of Deposit ( Banks	-	-
Guaranteed Endowment Policies (sinking)	-	-
Repurchase Agreements ( Banks	-	-
Municipal Bonds	-	-
Other	-	-
<b>Municipality Total</b>	<b>97 040</b>	<b>76 333</b>

Witzenberg Municipality needs to increase the available investments in order to be financially more viable. This can only be achieved if the payment for rates and taxes improve.



## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.14 SUPPLY CHAIN MANAGEMENT

Witzenberg Municipality implemented policies and practices in compliance with the guidelines stipulated by the SCM Regulations 2005. No councillors are members of any committees handling supply chain processes.

### 5.15 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the accounting standards by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders.

## CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION 2016/17

#### 6.1 AUDITOR-GENERAL REPORTS 2015/16

Auditor-General Report on Financial Performance 2015/16	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R106 million (2014/15: R122.1 million) on receivables from exchange transactions	Water management devices / Prepaid water meters to be implemented
As disclosed in note 4 to the financial statements, the municipality provided for the impairment of gross receivables from non-exchange transactions amounting to R38.9 million (2014/15: R30 million)	New service provider appointed for the collection of traffic fines
<u>Restatement of corresponding figures</u>	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2015/16 in the financial statements of the municipality at, and for the year ended, 30 June 2015	None

# ANNUAL REPORT

## 6.2 AUDITOR-GENERAL REPORTS 2016/17

Auditor-General Report on Financial Performance 2016/17	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<b><u>Emphasis of matter:</u></b>	
<b><u>Material impairments</u></b>	
As disclosed in notes 3 to the financial statements, the municipality has provided for the impairment of receivables from exchange transactions amounting to R129,4 million (2015-16: R106,3 million)	A report will be submitted to Council to consider the write off of irrecoverable debt.
As disclosed in note 4 to the financial statements, the municipality has provided for impairment of receivables from non-exchange transactions amounting to R54,4 million (2015-16: R38,9 million).	New service provider appointed for the collection of traffic fines
<b><u>Restatement of corresponding figures</u></b>	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during 2016-17 in the financial statements of the municipality for the year ended 30 June 2016.	None

# ANNUAL REPORT

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## LIST OF ABBREVIATIONS

<b>AG</b>	Auditor-General	<b>MMC</b>	Member of the Mayoral Committee
<b>CAPEX</b>	Capital Expenditure	<b>MIG</b>	Municipal Infrastructure Grant
<b>CBP</b>	Community Based Planning	<b>MM</b>	Municipal Manager
<b>CFO</b>	Chief Financial Officer	<b>MRF</b>	Material Recovery Facilities
<b>DPLG</b>	Department of Provincial and Local Government	<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>DWA</b>	Department of Water Affairs	<b>MTECH</b>	Medium Term Expenditure Committee
<b>EE</b>	Employment Equity	<b>NGO</b>	Non-governmental organisation
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice	<b>NT</b>	National Treasury
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>OPEX</b>	Operating expenditure
<b>HR</b>	Human Resources	<b>PMS</b>	Performance Management System
<b>IDP</b>	Integrated Development Plan	<b>PPP</b>	Public Private Partnership
<b>IFRS</b>	International Financial Reporting Standards	<b>PT</b>	Provincial Treasury
<b>IMFO</b>	Institute for Municipal Finance Officers	<b>SALGA</b>	South African Local Government Organisation
<b>KPA</b>	Key Performance Area	<b>SAMDI</b>	South African Management Development Institute
<b>KPI</b>	Key Performance Indicator	<b>SCM</b>	Supply Chain Management
<b>LED</b>	Local Economic Development	<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>MAYCO</b>	Executive Mayoral Committee	<b>SDF</b>	Spatial Development Framework
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)		

# ANNUAL REPORT

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## ANNEXURE A: AUDITED FINANCIAL STATEMENTS

2017



**WITZENBERG**  
Municipality • Munisipaliteit • UMasipala Wase



WC022 – WITZENBERG MUNICIPALITY  
2017 - 11.30

ARS 2017/10/2017 GENERAL  
2017 - 11.30  
SOUTH AFRICA  
UN-AUDITED

# WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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# WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## GENERAL INFORMATION

### NATURE OF BUSINESS

Witzenberg Municipality is a local municipality performing the functions as set out in Part B of Schedules 4 & 5 of the Constitution of the Republic of South Africa. (Act No. 108 of 1996)

### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

### JURISDICTION

The Witzenberg Municipality includes the following areas:

*Ceres  
Op-die-Berg  
Prince Alfred's Hamlet  
Tulbagh  
Wolseley*

### MUNICIPAL MANAGER

*D Nasson*

### CHIEF FINANCIAL OFFICER

*HJ Kritzing*

### REGISTERED OFFICE

*50 Voortrekker Street, Ceres, 6835*

### AUDITORS

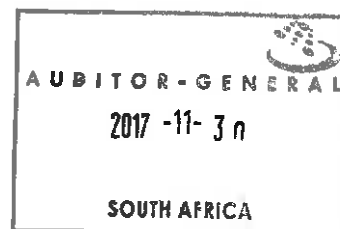
*Auditor-General South Africa*

### PRINCIPAL BANKERS

*Standard Bank, Ceres*

### RELEVANT LEGISLATION

The Constitution of the Republic of South Africa  
Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004), as amended  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
SALBC Leave Regulations  
Remuneration of Public Office Bearers Act  
Workman's Compensation Act



# WITZENBERG MUNICIPALITY

## COUNCILLORS OF THE WITZENBERG MUNICIPALITY

Position	Surname	Party	Seat type	
Executive Mayor	Klaasen, BC	DA	PR	
Deputy Executive Mayor	Adams, K	DA	Ward 6	
Speaker	Godden, TT	COPE	PR	
Member of Mayoral Committee	Sidego, EM	DA	Ward 11	
Member of Mayoral Committee	Alderman Smit, HJ	DA	Ward 5	
Member of Mayoral Committee	Visagie, JJ	DA	Ward 4	
Member of Mayoral Committee	Abrahams, T	DA	PR	Councillor from
Ordinary Councillor	Kinnear, D	DA	PR	Councillor from
Ordinary Councillor	Laban, G	WA	PR	Councillor from
Ordinary Councillor	Alderman Schuurman, J	ANC	PR	Councillor from
Ordinary Councillor	Phungula, JT	ANC	PR	
Ordinary Councillor	Jacobs, M	EFF	PR	Councillor from
Ordinary Councillor	Herandlen, P	ICOSA	PR	Councillor from
Ordinary Councillor	Simpson, RJ	ANC	PR	
Ordinary Councillor	Serunjogi, Z	DA	PR	Councillor from
Ordinary Councillor	Phatsoane, N	ANC	Ward 1	Councillor from
Ordinary Councillor	Lottering, C	DA	Ward 2	Councillor from
Ordinary Councillor	Swart, D	DA	Ward 3	
Ordinary Councillor	Daniels, P	DA	Ward 7	
Ordinary Councillor	Visagie, H	ANC	Ward 8	Councillor from
Ordinary Councillor	Hugo, S	ANC	Ward 9	Councillor from
Ordinary Councillor	Mgoboza, T	ANC	Ward 10	Councillor from
Ordinary Councillor	Mdala, M	ANC	Ward 12	Councillor from
Member of Mayoral Committee	Louw, S	DA	PR 1	Councillor till
Member of Mayoral Committee	Fredericks, JP	VIP	PR 1	Councillor till
Ordinary Councillor	Badela, R	ANC	Ward 12	Councillor till
Ordinary Councillor	Du Plessis, JJ	DA	PR 3	Councillor till
Ordinary Councillor	Du Toit, MC	ANC	PR 1	Councillor till
Ordinary Councillor	Klazen, JNED	DCP	PR 1	Councillor till
Ordinary Councillor	Mouton, JS	ANC	PR 2	Councillor till
Ordinary Councillor	Ndwanya, SM	ANC	PR 4	Councillor till
Ordinary Councillor	Salmon, L	ANC	Ward 8	Councillor till
Ordinary Councillor	Saula, MI	ANC	Ward 1	Councillor till
Ordinary Councillor	Okada J	NPP	PR 1	Councillor till
Ordinary Councillor	Hanekom, WJ	DA	Ward 3	Councillor till
Ordinary Councillor	Smith, A	ANC	Ward 10	Councillor till

### APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in the notes of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act

  
D Nasson  
Accounting Officer

  
Date



**WITZENBERG MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	Notes	2017 R	Restated 2016 R
<b>ASSETS</b>			
<b>Current Assets</b>		<b>150,794,444</b>	<b>165,365,652</b>
Cash and Cash Equivalents	2	76,333,137	97,039,728
Receivables from exchange transactions	3	48,837,181	49,894,911
Receivables from non-exchange transactions	4	9,049,425	6,442,655
Inventory	5	9,347,496	5,403,267
Current Portion of Long-term Receivables	6	-	7,495
Unpaid Conditional Government Grants and Receipts	7	2,262,670	12,375
VAT Receivable (net)	8	4,964,535	6,565,221
<b>Non-Current Assets</b>		<b>874,959,554</b>	<b>791,235,630</b>
Long-Term Receivables	6	-	-
Non-Current Investments			
Property, Plant and Equipment	9	808,058,979	712,703,384
Intangible Assets	10	2,506,094	2,645,647
Investment Property	11	47,758,986	48,506,152
Heritage assets	12	550,000	550,000
Operating Lease Asset	13	9,947	12,326
Capitalised Restoration Cost	14	16,075,548	26,818,121
<b>Total Assets</b>		<b>1,025,753,998</b>	<b>956,601,282</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>73,510,922</b>	<b>96,383,819</b>
Payables from exchange transactions	15	44,015,252	54,502,193
Consumer Deposits	16	3,666,150	3,217,431
Current Employee benefits	17	17,446,827	16,941,158
Unspent Conditional Government Grants and Receipts	7	3,690,206	10,347,213
Unspent Public Contributions	18	975,236	1,282,898
Current Portion of Long-term Liabilities	19	3,717,251	10,092,926
<b>Non-Current Liabilities</b>		<b>153,138,093</b>	<b>158,428,205</b>
Long-term Liabilities	19	7,503,284	10,464,089
Non-Current Provisions	20	70,249,120	68,641,116
Employee benefits	21	75,385,689	79,323,000
<b>Total Liabilities</b>		<b>226,649,015</b>	<b>254,812,024</b>
<b>Net Assets</b>		<b>799,104,983</b>	<b>701,789,257</b>
Capital Replacement Reserve	22	10,354,788	9,548,191
Accumulated Surplus		788,750,195	692,241,066
<b>Total Net Assets and Liabilities</b>		<b>1,025,753,998</b>	<b>956,601,281</b>



**WITZENBERG MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017**

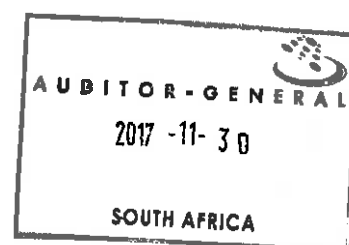
	Notes	2017 (Actual) R	2016 (Restated) R	2016 Correction of error R	2016 (Previously reported) R
<b>REVENUE</b>					
<b>Revenue from Non-exchange Transactions</b>		<b>275,483,289</b>	<b>194,680,841</b>	<b>1,206,869</b>	<b>193,473,972</b>
<b>Taxation Revenue</b>		<b>61,101,436</b>	<b>57,039,519</b>	<b>(0)</b>	<b>57,039,519</b>
Property rates	23	59,649,031	55,604,297	(0)	55,604,297
Property Rates - penalties imposed and collection charges		1,452,405	1,435,222	-	1,435,222
<b>Transfer Revenue</b>		<b>214,381,853</b>	<b>137,641,322</b>	<b>1,206,869</b>	<b>136,434,453</b>
Fines		19,242,291	8,559,000	-	8,559,000
Government Grants and Subsidies - Capital	24	38,768,028	55,446,601	3,907,586	51,539,015
Government Grants and Subsidies - Operating	24	101,428,638	71,440,720	(2,700,717)	74,141,437
Public Contributions and Donations		54,942,896	2,195,001	-	2,195,001
<b>Revenue from Exchange Transactions</b>		<b>320,412,477</b>	<b>317,036,592</b>	<b>-</b>	<b>317,036,592</b>
Service Charges	25	286,621,189	279,542,152	-	279,542,152
Rental of Facilities and Equipment		8,176,974	8,168,837	-	8,168,837
Interest Earned - external investments		8,511,695	6,772,240	-	6,772,240
Interest Earned - outstanding debtors		7,816,318	9,827,814	-	9,827,814
Licences and Permits		141,796	161,051	-	161,051
Agency Services		4,352,440	4,236,894	-	4,236,894
Other Income	26	4,792,065	8,321,816	-	8,321,816
Unamortised Discount - Interest		-	5,788	-	5,788
<b>Total Revenue</b>		<b>595,895,766</b>	<b>511,717,433</b>	<b>1,206,869</b>	<b>510,510,564</b>
<b>EXPENDITURE</b>					
Employee related costs	27	133,332,562	120,893,414	89,529	120,803,885
Remuneration of Councillors	28	8,779,575	8,661,654	-	8,661,654
Debt Impairment	29	37,709,473	34,542,290	-	34,542,290
Collection Costs		773,248	327,229	-	327,229
Depreciation and Amortisation	30	26,142,546	27,173,335	194,546	26,978,789
Repairs and Maintenance		23,000,709	20,141,682	466,538	19,675,144
Unamortised Discount - Interest paid		615,809	1,138,434	-	1,138,434
Finance Charges	32	16,957,097	16,764,153	-	16,764,153
Bulk Purchases	33	179,202,804	160,424,870	-	160,424,870
Contracted services		41,869,152	15,876,571	-	15,876,571
Grants and Subsidies	34	941,038	969,262	-	969,262
General Expenses	35	43,464,693	43,157,596	(89,529)	43,247,125
<b>Total Expenditure</b>		<b>512,788,706</b>	<b>450,070,490</b>	<b>661,084</b>	<b>449,409,406</b>
Gain / (loss) on disposal of assets (Impairment loss)	31	231,843 (137,679)	(3,728) (21,500)	-	(3,728) (21,500)
Gain on Adjustment of Provision		-	-	-	-
Inventories: (Write-down) / Reversal of write-down		-	(377)	-	(377)
Gain / (loss) on Actuarial Valuations	21	14,114,503	3,818,912	-	3,818,912
Asset Losses		-	(38,136)	-	(38,136)
<b>NET SURPLUS FOR THE YEAR</b>		<b>97,315,727</b>	<b>65,402,114</b>	<b>545,785</b>	<b>64,856,329</b>



**WITZENBERG MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2017**

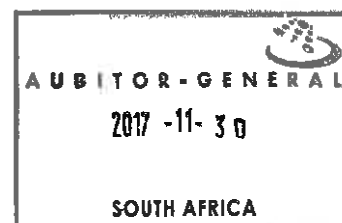
	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
<b>Balance at 1 JULY 2015</b>		<b>9,430,377</b>	<b>627,509,596</b>	<b>636,939,973</b>
Correction of error	36.13	-	(552,830)	(552,830)
<b>Restated Balance at 1 JULY 2015</b>		<b>9,430,377</b>	<b>626,956,766</b>	<b>636,387,143</b>
Contribution to Capital Replacement Reserve		23,121,037	(23,121,037)	-
Property, Plant and Equipment purchased		(23,003,223)	23,003,223	-
Restated Net Surplus for the year		-	65,402,114	65,402,114
<b>Balance at 30 JUNE 2016</b>		<b>9,548,191</b>	<b>692,241,066</b>	<b>701,789,257</b>
Contribution to Capital Replacement Reserve		23,364,843	(23,364,843)	-
Property, Plant and Equipment purchased		(22,558,245)	22,558,245	-
Net Surplus for the year		-	97,315,727	97,315,727
<b>Balance at 30 JUNE 2017</b>		<b>10,354,789</b>	<b>788,750,195</b>	<b>799,104,984</b>



# WITZENBERG MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	30 JUNE 2017 R	30 JUNE 2016 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Taxation		59,159,651	52,556,067
Sales of goods and services		282,928,620	276,852,261
Government Grants		131,276,989	136,362,739
Interest		17,780,418	18,035,276
<b>Payments</b>			
Employee costs		(122,649,702)	(110,847,000)
Suppliers		(303,050,281)	(236,660,780)
Finance charges	32	(16,957,097)	(16,764,153)
Transfers and Grants		(941,038)	(969,262)
<b>Cash generated by operations</b>	<b>37</b>	<b>47,547,560</b>	<b>118,565,148</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	9	(61,794,789)	(76,815,070)
Purchase of Intangible Assets		-	(321,685)
Proceeds on Disposal of Fixed Assets		3,036,713	111,192
Increase/(Decrease) in Long-term Receivables	6	7,495	163,151
<b>Net Cash from Investing Activities</b>		<b>(58,750,581)</b>	<b>(76,862,412)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans repaid		(9,952,289)	(8,964,582)
New loans raised		-	1,175,887
Increase in Consumer Deposits		448,719	742,656
<b>Net Cash from Financing Activities</b>		<b>(9,503,570)</b>	<b>(7,046,039)</b>
<b>NET INCREASE/(DECREASE IN CASH AND CASH EQUIVALENTS)</b>		<b>(20,706,591)</b>	<b>34,656,697</b>
Cash and Cash Equivalents at the beginning of the year		97,039,728	62,383,031
Cash and Cash Equivalents at the end of the year	2	76,333,137	97,039,728
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(20,706,591)</b>	<b>34,656,697</b>



**WITZENBERG MUNICIPALITY**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2017**

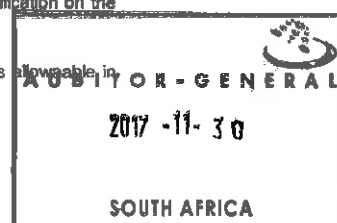
	Actual 2017 R	Approved budget 2017 R	Adjustments 2017 R	Final budget 2017 R	Difference between final budget and actual	Actual 2016 R
<b>Operating Revenue</b>						
Property rates	59,649,031	60,005,000	-	60,005,000	-0.6%	55,604,297
Property Rates - penalties imposed and collection charges	1,452,405	1,400,000	-	1,400,000	3.7%	1,435,222
Fines	19,242,291	12,819,650	-	12,819,650	50.1%	8,559,000
Government Grants and Subsidies - Capital	38,768,028	51,579,597	(13,201,863)	38,377,734	1.0%	55,446,601
Government Grants and Subsidies - Operating	101,428,638	134,609,474	(33,265,277)	101,344,197	0.1%	71,440,720
Public Contributions and Donations	54,942,896	200,000	536,479	736,479	7360.2%	2,195,001
Service Charges	286,621,189	295,515,087	-	295,515,087	-3.0%	279,542,152
Rental of Facilities and Equipment	8,176,974	9,338,688	-	9,338,688	-12.4%	8,168,837
Interest Earned - external investments	8,511,695	4,480,030	-	4,480,030	90.0%	6,772,240
Interest Earned - outstanding debtors	7,816,318	5,474,180	-	5,474,180	42.8%	9,827,814
Licences and Permits	141,796	168,030	-	168,030	-15.8%	161,051
Agency Services	4,352,440	4,274,110	-	4,274,110	1.8%	4,236,894
Other Income	18,906,568	4,229,389	-	4,229,389	347.0%	12,137,000
Unamortised Discount - Interest	-	258	-	258	100.0%	5,788
<b>Total revenue</b>	<b>610,010,269</b>	<b>584,093,493</b>	<b>-45,930,661</b>	<b>638,182,832</b>	<b>-13.4%</b>	<b>515,532,617</b>
<b>Operating Expenditure</b>						
Employee related costs	133,332,562	143,316,264	(5,556,840)	137,759,424	3.2%	120,693,414
Remuneration of Councillors	8,779,575	9,465,032	(539,000)	8,926,032	1.6%	8,661,654
Debt Impairment	37,709,473	25,639,580	14,940,000	40,579,560	7.1%	34,542,290
Collection Costs	773,248	1,041,190	(233,000)	808,190	4.3%	327,229
Depreciation and Amortisation	26,142,546	39,480,476	(12,558,000)	26,922,476	2.9%	27,173,335
Repairs and Maintenance	23,000,709	22,196,721	2,045,652	24,242,373	5.1%	20,141,682
Unamortised Discount - Interest paid	615,809	615,809	-	615,809	0.0%	1,138,434
Finance Charges	16,957,097	11,094,293	5,917,000	17,011,293	0.3%	16,764,153
Bulk Purchases	179,202,804	179,220,874	-	179,220,874	0.0%	160,424,870
Contracted services	41,869,152	71,370,252	(28,395,012)	42,975,240	2.6%	15,876,571
Grants and Subsidies	941,038	881,230	66,000	947,230	0.7%	969,262
Other expenses	43,370,529	49,007,252	-2,704,008	46,303,244	6.3%	43,179,473
<b>Total expenditure</b>	<b>512,694,542</b>	<b>553,328,953</b>	<b>-27,017,208</b>	<b>528,311,745</b>	<b>2.6%</b>	<b>450,092,367</b>
<b>Surplus/(deficit) for the period</b>	<b>97,315,727</b>	<b>30,764,540</b>	<b>-18,913,453</b>	<b>11,851,087</b>	<b>-721.2%</b>	<b>65,440,250</b>
<b>Operating expenditure by vote</b>						
Budget & Treasury Office	31,777,485	38,366,975	(5,313,000)	33,053,975	3.9%	32,305,839
Civil Services	106,021,906	107,220,510	(214,719)	107,005,791	0.9%	108,191,967
Community & Social Services	26,732,608	26,232,133	2,549,236	26,781,369	7.1%	23,028,655
Corporate Services	32,108,263	28,788,637	4,408,030	33,194,667	3.3%	28,071,233
Electro Technical Services	201,810,596	204,238,813	(1,871,585)	202,367,228	0.3%	182,240,690
Executive & Council	22,606,756	26,865,281	(3,039,378)	23,825,903	5.1%	24,833,139
Housing	27,456,019	59,859,878	(31,036,417)	28,823,461	4.7%	2,906,534
Planning	7,539,676	9,567,215	(1,150,577)	8,416,638	10.4%	6,592,167
Public Safety	34,142,995	28,590,342	6,776,581	35,366,903	3.5%	21,284,659
Sport & Recreation	20,470,543	23,379,169	(337,306)	23,041,863	11.2%	20,675,626
<b>Total operating expenditure by vote</b>	<b>510,666,847</b>	<b>553,108,953</b>	<b>-29,231,155</b>	<b>523,877,788</b>	<b>2.52%</b>	<b>450,130,509</b>
<b>Capital expenditure by vote</b>						
Budget & Treasury Office	162,534	130,000	45,000	175,000	7.1%	366,556
Civil Services	48,276,119	49,397,887	294,331	49,692,218	2.8%	59,666,153
Community & Social Services	910,051	1,426,000	(428,276)	997,724	8.8%	2,200,741
Corporate Services	285,353	150,000	139,330	289,330	1.4%	425,633
Electro Technical Services	6,831,879	6,995,000	(220,897)	6,774,103	-0.9%	5,664,355
Planning	-	-	-	-	-	6,121,668
Public Safety	100,273	-	150,000	150,000	33.2%	561,346
Sport & Recreation	2,216,854	800,000	1,489,031	2,289,031	3.2%	488,506
<b>Total capital expenditure</b>	<b>58,783,063</b>	<b>58,888,887</b>	<b>1,468,519</b>	<b>60,367,406</b>	<b>2.62%</b>	<b>75,494,958</b>

The budget is approved on an accrual basis by vote classification as required by the Municipal Finance Management Act. The basis used for this comparison is by nature classification as required by General Recognised Accounting Practices. The approved budget covers the same period as the financial statements, from 1 July to 30 June.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

The changes between the approved and final budget are a consequence of reallocations within the budget and of other factors allowable in terms of the Municipal Finance Management Act

Please refer to Note 40 for more information on budget comparisons.



# WITZENBERG MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

#### 1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economics
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of non-cash-generating assets
GRAP 23	Revenue from Non-Exchange Transactions
GRAP 24	Presentation of Budget Information
GRAP 25	Employee Benefits
GRAP 26	Impairment of cash-generating assets
GRAP 27	Agriculture
GRAP 31	Intangible assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfer of Functions Between Entities Under Common Control
GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers





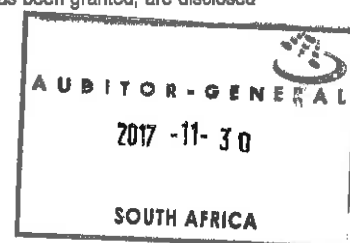
**WITZENBERG MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

IGRAP 1	Applying the Probability Test on Initial Recognition of Revenue (as revised in 2012)
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidations – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities – Non-monetary Contributions by Ventures
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs
IPSAS 20	Related Party Disclosure
IFRS 3 (AC140)	Business Combinations
IFRS 4 (AC141)	Insurance Contracts
IFRS 6 (AC143)	Exploration for and Evaluation of Mineral Resources
IAS 12 (AC102)	Income Taxes
SIC – 21 (AC421)	Income Taxes – Recovery of Revaluated Non-Depreciable Assets
SIC – 25 (AC425)	Income Taxes – Changes in the Tax Status on an Entity or its Shareholders
SIC – 29 (AC429)	Service Concessions Arrangements – Disclosures
IFRIC 2 (AC435)	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 4 (AC437)	Determining whether an Arrangement contains a Lease
IFRIC 9 (AC442)	Reassessment of Embedded Derivatives
IFRIC 12 (AC445)	Service Concession Arrangements
IFRIC 13 (AC446)	Customer Loyalty Programmes
IFRIC 14 (AC447) IAS19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 15 (AC448)	Agreements for the Construction of Real Estate
IFRIC 16(AC449)	Hedges in a Net Investment in a Foreign Operation
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.



## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

#### 1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

#### 1.3. GOING CONCERN ASSUMPTION

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

#### 1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

#### 1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. In general, materiality is determined as 1% of total expenditure.

#### 1.6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 18	<b>Segment Reporting</b> Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 20	<b>Related Party Disclosures</b> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 32	<b>Service Concession Arrangements: Grantor</b> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 108	<b>Statutory receivable</b> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 109	<b>Accounting by Principals and Agents</b> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset	Unknown

#### 1.7. RESERVES

## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### **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 cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

#### **1.8. LEASES**

##### **1.8.1. Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

##### **1.8.2. Municipality as Lessor**

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

#### **1.9. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

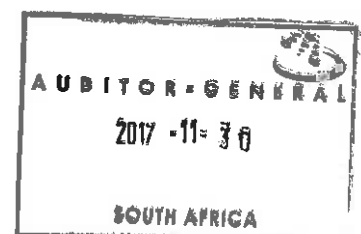
- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

#### **1.10. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Economic Entity has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of the grant is receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.



## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1.11. PROVISIONS

##### 1.11.1. GENERAL PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

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

##### 1.11.2. REHABILITATION OF LANDFILL SITES PROVISIONS

Provision is made in terms of the licensing stipulations of the landfill sites, for the estimated cost of rehabilitating waste sites. The provision has been determined on the basis of a recent independent study. The cost factors derived from the study by a firm of consulting engineers have discounted to present value at prime interest rate.

#### 1.12. EMPLOYEE BENEFITS

##### 1.12.1. Post-Retirement Medical obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

#### 1.12.2. Long Service awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

#### 1.12.3. Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

#### 1.12.4. Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

#### 1.12.5. Performance bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

#### 1.12.6. Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

#### 1.12.7. Ex gratia Gratuities

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

### 1.13. PROPERTY, PLANT AND EQUIPMENT

#### 1.13.1. Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

# WITZENBERG MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

### 1.13.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

### 1.13.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

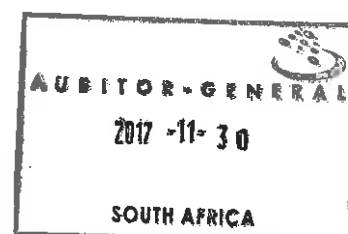
	Years		Years
<b>Infrastructure</b>		<b>Other</b>	
Roads and Paving	5-100	Airports	20
Electricity	4-46	Buildings	30-100
Water	15-150	Computer equipment	3-30
Sanitation	15-60	Furniture and equipment	5-30
Other	10-15	Landfill sites	9-24
		Markets	30
<b>Community</b>		Other	3-30
Recreational Facilities	10-30	Other vehicles	5-67
Sport fields & Stadia	10-20	Plant and Equipment	5-32
Halls	5-97	Specialist vehicles	7-38
Libraries	10-30		
Parks and gardens	10		
Other assets	5-30		
Cemeteries	5-30		
<b>Finance lease assets</b>			
Office equipment	4		

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

### 1.13.4. De-recognition



## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### 1.13.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional arrangement as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The municipality updated the Land and Buildings acquired before 30 June 2008 to the fair value as determined by an independent valuator. For Other Assets the depreciation replacement cost method was used to establish the deemed cost as on 1 July 2008.

#### 1.14. INTANGIBLE ASSETS

##### 1.14.1. Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiable criterion in the definition of an intangible asset when it:

is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The municipality recognises an intangible asset in its Statement of Financial Position only 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.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

the municipality intends to complete the intangible asset for use or sale;  
it is technically feasible to complete the intangible asset;  
the municipality has the resources to complete the project; and  
it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

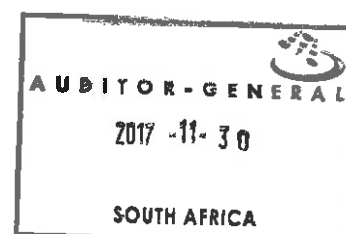
##### 1.14.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

##### 1.14.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	<u>Years</u>
Computer Software	5
Computer Software Licenses	5



## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

#### 1.14.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### 1.15. INVESTMENT PROPERTY

##### 1.15.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of self-constructed investment property is the cost at date of completion.

##### 1.15.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

##### 1.15.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	99 - 100

The actual useful lives used for depreciation purposes may vary from the above information as the remaining useful lives of assets are reviewed annually.

##### 1.15.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.



**WITZENBERG MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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**1.16. HERITAGE ASSETS**

**1.16.1. Initial Recognition**

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.

A heritage asset shall be recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- the cost or fair value of the asset can be measured reliably.

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

Where a heritage asset has been acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

**1.16.2. Subsequent Measurement**

Heritage assets are not depreciated based on their nature however the municipality assesses at each reporting date whether there is a need for impairment.

The class of heritage assets are carried at its cost less any accumulated impairment losses.

**1.16.3. Impairment**

Where the carrying amount of an item of heritage asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of heritage asset have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

**1.16.4. De-recognition**

The carrying amount of a heritage asset is derecognised:

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

The gain or loss arising from de-recognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

**1.17. IMPAIRMENT OF NON-FINANCIAL ASSETS**

**1.17.1. Cash-generating assets**

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that

## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

#### 1.17.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

*Depreciation replacement cost approach* - the present value of the remaining service potential of an 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 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.

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.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an 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 an 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. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. 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. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

#### 1.18. COMMITMENTS

Commitments are future payments and expenditure to be incurred on contracts that have been entered into at the reporting date and where there are unperformed obligations. The commitments would include both capital and operating items.

Committed expenditure approved and contracted for at reporting date is where the expenditure has been approved and the contract has been awarded.

Committed expenditure approved but not yet contracted for at reporting date is where the expenditure has been approved but the contract has yet to be awarded or is awaiting finalisation.

#### 1.19. INVENTORIES

##### 1.19.1. Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.



## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

The cost of purified water comprises cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

#### 1.19.2. Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

Cost of land held for sale is assigned by using specific identification of their individual costs.

#### 1.20. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

#### 1.21. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange transactions and non-exchange transactions).

##### 1.21.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

##### 1.21.2. Subsequent Measurement

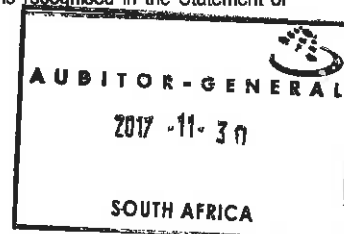
Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

##### 1.21.2.1. Receivables

Receivables are classified as loans and receivables, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of



## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

#### **1.21.2.2. Payables and Annuity Loans**

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

#### **1.21.2.3. Cash and Cash Equivalents**

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

#### **1.21.2.4. Non-Current Investments**

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

#### **1.21.3. De-recognition of Financial Instruments**

##### **1.21.3.1. Financial Assets**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

the rights to receive cash flows from the asset have expired; or  
the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

##### **1.21.3.2. Financial Liabilities**

## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

#### **1.21.4. Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## **1.22. REVENUE**

### **1.22.1. Revenue from Non-Exchange Transactions**

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised when issued.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a 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 present 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 the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

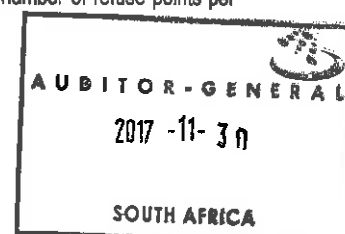
### **1.22.2. Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter vouchers is recognised eight days after the sale of the relevant voucher.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.



## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

The prevailing rate for a similar instrument of an issuer with a similar credit rating; or

A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred.

When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

#### 1.22.3. Grants, Transfers and Donations (Non-Exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

#### 1.23. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2<sup>nd</sup> and 3<sup>rd</sup> bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker, members of the Mayoral Committee and ordinary councillors.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.



## WITZENBERG MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1.24. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### 1.25. 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), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### 1.26. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### 1.27. CONTINGENT LIABILITIES

A contingent liability is 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 entity. A contingent liability could also be 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 will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

#### 1.28. PRESENTATION OF BUDGET INFORMATION

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements, has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process and upon approval the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements.

#### 1.29. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

##### *Post-retirement medical obligations and Long service awards*

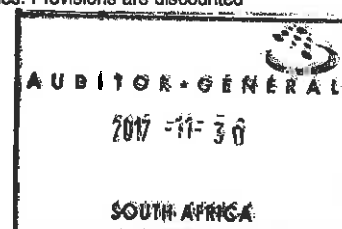
The cost of post-retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

##### *Impairment of Receivables*

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

##### *Provisions and contingent liabilities*

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.



**WITZENBERG MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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**1.30. TAXES – VALUE ADDED TAX**

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

**1.31. JOINT VENTURES**

In respect of the municipalities' interest in jointly controlled assets, the municipality includes in its accounting records and recognises in its financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with other ventures in relation to the joint venture;
- any revenue from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

**1.32. AMENDED DISCLOSURE POLICY**

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2	CASH AND CASH EQUIVALENTS	2017 R	2016 R
	<u>Assets</u>		
	Call Investments Deposits		
	Bank Accounts	76,324,212	97,031,303
	Cash Floats	8,925	8,425
	<b>Total Cash and Cash Equivalents - Assets</b>	<b>76,333,137</b>	<b>97,039,728</b>

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

The municipality has the following bank accounts:

Cash book balance at beginning of year	97,031,303	62,374,606
Cash book balance at end of year	76,324,212	97,031,303

The municipality changed its Primary Bank Account from ABSA Bank Limited to The Standard Bank of South Africa Limited on 1 March 2013. The ABSA account has not been closed at year end as some debtors still pay their service accounts into the old account.

**Primary Bank Account: Standard Bank - Account Number 203241819**

Bank statement balance at beginning of year	100,229,291	66,875,631
Bank statement balance at end of year	77,200,939	100,229,291

**ABSA Bank Limited - Account Number 350000011**

Bank statement balance at beginning of year	58,202	33,194
Bank statement balance at end of year	248,613	58,202

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Electricity	41,278,142	39,653,051
Water	67,600,296	57,648,575
Housing Rentals	1,483,430	1,235,690
Refuse	34,837,265	28,758,372
Sewerage	29,290,326	23,614,585
Other	2,543,476	1,944,039
Land Sales	1,190,005	3,356,771
<b>Total Receivables from Exchange Transactions</b>	<b>178,222,940</b>	<b>156,211,083</b>
Less: Provision for Impairment	(129,385,759)	(106,316,172)
<b>Total Net Receivables from Exchange Transactions</b>	<b>48,837,181</b>	<b>49,894,911</b>

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

Included in receivables is the following accrued income (estimated consumption from the last meter reading to 30 June):

Accrued Income Electricity	22,054,254	17,621,583
Accrued Income Water	4,178,417	4,182,801

**Ageing of Receivables from Exchange Transactions:**

(Electricity): Ageing

Accrued Income Electricity	22,054,254	17,621,583
Current (0 - 30 days)	13,694,594	15,527,804
31 - 60 Days	788,519	582,462
61 - 90 Days	467,181	283,058
+ 90 Days	4,273,593	5,638,144
<b>Total</b>	<b>41,278,142</b>	<b>39,653,051</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	2017 R	2016 R
<b><u>(Water): Ageing</u></b>		
Accrued Income Water	4,178,417	4,182,801
Current (0 - 30 days)	3,287,256	3,875,709
31 - 60 Days	1,520,906	1,531,292
61 - 90 Days	1,074,176	1,539,568
+ 90 Days	57,539,542	46,519,206
<b>Total</b>	<b>67,600,296</b>	<b>57,648,575</b>
<b><u>(Housing): Ageing</u></b>		
Current (0 - 30 days)	27,969	27,677
31 - 60 Days	22,568	22,151
61 - 90 Days	21,392	20,399
+ 90 Days	1,411,500	1,165,462
<b>Total</b>	<b>1,483,430</b>	<b>1,235,690</b>
<b><u>(Refuse): Ageing</u></b>		
Current (0 - 30 days)	1,925,775	1,903,660
31 - 60 Days	752,979	812,939
61 - 90 Days	601,750	639,260
+ 90 Days	31,556,762	25,402,513
<b>Total</b>	<b>34,837,265</b>	<b>28,758,372</b>
<b><u>(Sewerage): Ageing</u></b>		
Current (0 - 30 days)	1,741,493	1,636,731
31 - 60 Days	771,514	708,827
61 - 90 Days	585,095	520,068
+ 90 Days	26,192,224	20,748,959
<b>Total</b>	<b>29,290,326</b>	<b>23,614,585</b>
<b><u>(Other): Ageing</u></b>		
Current (0 - 30 days)	729,918	339,561
31 - 60 Days	36,140	33,641
61 - 90 Days	27,418	29,560
+ 90 Days	1,750,000	1,541,277
<b>Total</b>	<b>2,543,476</b>	<b>1,944,039</b>
<b><u>(Land Sales): Ageing</u></b>		
Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	1,288,006	3,356,771
<b>Total</b>	<b>1,288,006</b>	<b>3,356,771</b>
<b><u>(Total): Ageing</u></b>		
Accrued Income	26,232,671	21,804,384
Current (0 - 30 days)	21,407,005	23,311,143
31 - 60 Days	3,892,624	3,691,312
61 - 90 Days	2,777,013	3,031,913
+ 90 Days	124,011,627	104,372,332
<b>Total</b>	<b>178,320,941</b>	<b>156,211,084</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	2017 R	2016 R
<b>Reconciliation of Provision for Bad Debts</b>		
Balance at beginning of year	106,316,172	122,424,101
Contribution to provision	23,083,710	26,189,331
Bad Debts Written Off	(14,123)	(42,297,260)
<b>Balance at end of year</b>	<b>129,385,759</b>	<b>106,316,172</b>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers living in poverty. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Rates	23,713,824	23,224,444
Other Receivables	39,784,179	22,159,059
Accrued Fines	37,479,480	21,351,630
Deposits	224,615	224,615
SARS	524,109	524,110
Prepaid Expenditure	1,555,975	50,000
Other receivables	-	8,704
<b>Total Receivables from Non-Exchange Transactions</b>	<b>63,498,003</b>	<b>45,383,503</b>
Less: Provision for Impairment	(54,448,578)	(38,940,848)
<b>Total Net Receivables from Non-Exchange Transactions</b>	<b>9,049,425</b>	<b>6,442,655</b>

Ageing of Receivables from Non-Exchange Transactions:

#### (Rates): Ageing

Current (0 - 30 days)	2,031,228	3,062,819
31 - 60 Days	407,965	342,354
61 - 90 Days	208,672	261,132
+ 90 Days	21,065,958	19,558,138
<b>Total</b>	<b>23,713,823</b>	<b>23,224,444</b>

#### **Reconciliation of Provision for Bad Debts**

Balance at beginning of year	38,940,848	30,295,695
Contribution to provision	15,507,730	8,645,153
Bad Debts Written Off	-	-
<b>Balance at end of year</b>	<b>54,448,578</b>	<b>38,940,848</b>
Included in the provision for bad debt are the following amounts in respect of traffic fines	<b>33,849,774</b>	<b>19,274,139</b>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers living in poverty. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

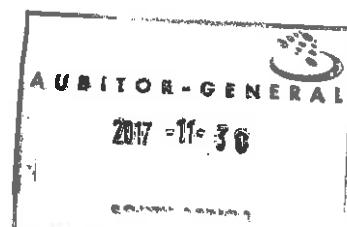
### 5 INVENTORY

Consumable Stores - At cost	9,181,157	5,384,334
Water - At purification cost	166,339	18,933
<b>Total Inventory</b>	<b>9,347,496</b>	<b>5,403,267</b>

Consumable stores materials written down due to losses as identified during the annual stores counts.	-	377
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Consumable stores inventory recognised as an expense during the year	10,528,826	8,397,674
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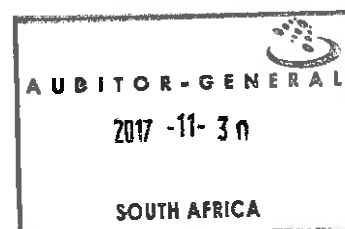
No inventories is pledged as security for liabilities



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6	LONG-TERM RECEIVABLES	2017 R	2016 R
	Housing Loans	-	167
	Sport Club Loans	-	7,328
	Town Development	-	-
		<hr/>	<hr/>
			7,495
	<b>Less:</b> Unamortised Discount on Loans	-	-
	Balance 1 July	-	(4,653)
	Adjustment for the period	-	4,653
		<hr/>	<hr/>
			7,495
	<b>Less:</b> Current portion transferred to current receivables	-	(7,495)
	Housing Loans	-	(167)
	Sport Club Loans	-	(7,328)
	Town Development	-	-
		<hr/>	<hr/>
			-
	<b>Less:</b> Provision for Impairment	-	-
		<hr/>	<hr/>
	<b>Total Long Term Receivables</b>	<hr/>	<hr/>
			-
	<b>Reconciliation of Provision for Bad Debts</b>		
	Balance at beginning of year	-	163,925
	Contribution to provision	-	76,709
	Bad Debts Written Off	-	(240,634)
		<hr/>	<hr/>
	<b>Balance at end of year</b>	<hr/>	<hr/>
			-
7	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
	<b>Unspent Grants</b>	3,690,206	10,347,213
	National Government Grants	471,476	4,378,064
	Provincial Government Grants	2,918,730	5,969,149
	District Municipality	300,000	-
		<hr/>	<hr/>
			12,375
	<b>Less:</b> Grants spend but not yet received	2,262,670	12,375
	National Government Grants	1,281,584	12,375
	Provincial Government Grants	981,086	-
		<hr/>	<hr/>
	<b>Total Conditional Grants and Receipts</b>	<hr/>	<hr/>
			10,334,838
	Please refer to Note 24 for more information on specific grants.		
8	VAT		
	<b>VAT PAYABLE</b>		
	VAT Payable	-	-
	VAT output in suspense	4,453,269	(1,131,647)
		<hr/>	<hr/>
	<b>Total Vat payable</b>	<hr/>	<hr/>
			(1,131,647)
	<b>VAT RECEIVABLE</b>		
	VAT input in suspense	9,417,804	5,433,574
		<hr/>	<hr/>
	<b>Total VAT receivable</b>	<hr/>	<hr/>
			5,433,574
	<b>NET VAT RECEIVABLE/(PAYABLE)</b>	<hr/>	<hr/>
			4,964,535
	VAT is receivable/payable on the cash basis.		



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**9 PROPERTY, PLANT AND EQUIPMENT**

**9.1 30 JUNE 2017**

<b>Reconciliation of Carrying Value</b>	<b>Land R</b>	<b>Buildings R</b>	<b>Infrastructure R</b>	<b>Community R</b>	<b>Lease Assets R</b>	<b>Other R</b>	<b>Total R</b>
<b>Carrying value at 1 July 2016</b>	78,203,971	93,542,654	441,286,025	68,455,787	995,478	30,219,468	712,703,383
<b>Cost</b>	78,203,971	101,779,105	553,135,349	74,148,394	1,867,230	57,846,635	866,980,684
Original Cost	78,203,971	101,779,105	553,135,349	74,148,394	1,867,230	57,846,635	866,980,684
<b>Accumulated Impairments</b>	-	-	(19,801)	-	-	(551,858)	(571,659)
Original Cost	-	-	(19,801)	-	-	(551,858)	(571,659)
<b>Accumulated Depreciation</b>	-	(8,236,451)	(111,829,523)	(5,692,607)	(871,751)	(27,075,309)	(153,705,642)
Original Cost	-	(8,236,451)	(111,829,523)	(5,692,607)	(871,751)	(27,075,309)	(153,705,642)
<b>Acquisitions</b>	-	178,018	69,320,352	949,414	26,370	11,367,606	81,841,760
<b>Capital under Construction</b>	-	135,929	28,638,636	494,137	-	4,798,552	34,065,254
<b>Transfers</b>	-	(816,239)	-	1,395,719	-	(593,980)	(14,500)
Cost	-	(816,239)	-	1,395,719	-	(593,980)	(14,500)
<b>Impairments</b>	-	-	(2)	-	-	(80,677)	(80,679)
Impairment	-	-	(2)	-	-	(80,677)	(80,679)
<b>Depreciation</b>	-	(1,003,028)	(12,522,349)	(1,592,123)	(391,955)	(4,683,681)	(20,193,135)
Normal Depreciation for the year	-	(1,003,028)	(12,522,349)	(1,592,123)	(391,955)	(4,683,681)	(20,193,135)
<b>Carrying value of disposals</b>	(263,104)	-	-	-	-	-	(263,104)
Cost	(263,104)	-	-	-	-	-	(263,104)
Accumulated Impairments	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
<b>Carrying value at 30 June 2017</b>	77,940,867	92,037,334	526,720,662	69,702,934	629,893	41,027,288	808,058,979
<b>Cost</b>	77,940,867	101,276,813	651,092,337	76,987,664	1,893,599	73,418,813	982,610,093
Original Cost	77,940,867	101,276,813	651,092,337	76,987,664	1,893,599	73,418,813	982,610,093
<b>Accumulated Impairments</b>	-	-	(19,803)	-	-	(632,535)	(652,338)
Original Cost	-	-	(19,803)	-	-	(632,535)	(652,338)
<b>Accumulated Depreciation</b>	-	(9,239,479)	(124,351,872)	(7,284,730)	(1,263,706)	(31,758,990)	(173,898,777)
Original Cost	-	(9,239,479)	(124,351,872)	(7,284,730)	(1,263,706)	(31,758,990)	(173,898,777)

**9.1.1 Work in Progress included in the Carrying Value of Property Plant & Equipment**

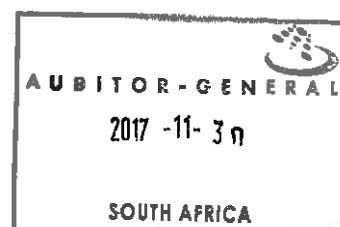
**R**

Buildings	894,345
Infrastructure	50,745,555
Community	1,564,478
Other	300,000
Intangibles	108,300

**9.1.2 Expenditure incurred for repairs and maintaining property plant and equipment**

**R**

23,000,709



## WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## PROPERTY, PLANT AND EQUIPMENT CONTINUED

9.2 30 JUNE 2016

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
<b>Carrying value at 1 July 2015</b>	78,203,971	94,005,465	385,733,567	70,214,221	67,562	27,677,073	655,901,860
<b>Cost</b>	78,203,971	101,129,809	485,746,274	74,032,544	691,343	50,431,115	790,235,056
Original Cost	78,203,971	101,129,809	485,746,274	74,032,544	691,343	50,431,115	790,235,056
<b>Accumulated Impairments</b>	-	-	-	-	-	(551,131)	(551,131)
Original Cost	-	-	-	-	-	(551,131)	(551,131)
<b>Accumulated Depreciation</b>	-	(7,124,343)	(100,012,708)	(3,818,323)	(623,781)	(22,202,911)	(133,782,066)
Original Cost	-	(7,124,343)	(100,012,708)	(3,818,323)	(623,781)	(22,202,911)	(133,782,066)
<b>Acquisitions</b>	-	712,221	16,673,197	252,500	1,175,887	7,285,385	26,099,190
<b>Capital under Construction</b>	-	-	50,715,878	-	-	-	50,715,878
<b>Transfers</b>	-	(62,925)	-	(132,062)	-	206,062	11,075
Cost	-	(62,925)	-	(136,650)	-	210,650	11,075
Accumulated Depreciation	-	-	-	4,588	-	(4,588)	-
<b>Impairments</b>	-	-	(19,801)	-	-	(1,700)	(21,500)
Impairments	-	-	(19,801)	-	-	(1,700)	(21,500)
<b>Depreciation</b>	-	(1,112,108)	(11,816,816)	(1,878,873)	(247,971)	(4,909,218)	(19,964,983)
Normal Depreciation for the year	-	(1,112,108)	(11,816,816)	(1,878,873)	(247,971)	(4,909,218)	(19,964,983)
<b>Carrying value of disposals</b>	-	-	-	-	-	(38,136)	(38,136)
Cost	-	-	-	-	-	(80,515)	(80,515)
Accumulated Depreciation	-	-	-	-	-	41,407	41,407
<b>Carrying value at 30 June 2016</b>	78,203,971	93,542,654	441,286,025	68,451,198	995,478	30,224,057	712,703,383
<b>Cost</b>	78,203,971	101,779,105	553,135,349	74,148,394	1,867,230	57,846,635	866,980,684
Original Cost	78,203,971	101,779,105	553,135,349	74,148,394	1,867,230	57,846,635	866,980,684
<b>Accumulated Impairments</b>	-	-	(19,801)	-	-	(551,858)	(571,659)
Original Cost	-	-	(19,801)	-	-	(551,858)	(571,659)
<b>Accumulated Depreciation</b>	-	(8,236,451)	(111,829,523)	(5,697,196)	(871,751)	(27,070,720)	(153,705,642)
Original Cost	-	(8,236,451)	(111,829,523)	(5,697,196)	(871,751)	(27,070,720)	(153,705,642)



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10

### INTANGIBLE ASSETS

#### Computer Software

#### Net Carrying amount at 1 July

Cost  
Accumulated Amortisation  
Accumulated Impairment

Additions  
Amortisation for Year  
Transfer

#### Net Carrying amount at 30 June

Cost  
Accumulated Amortisation  
Accumulated Impairment

2017  
R

2016  
R

2,645,647

2,689,747.00

4,483,998

(1,838,351)

-

-

(154,053)

14,500

2,506,094

4,498,498

(1,992,404)

-

4,162,314.00

(1,472,567.00)

-

321,685.00

(365,785.00)

-

2,645,647.00

4,483,998.00

(1,838,351.00)

-

11

### INVESTMENT PROPERTY

#### Net Carrying amount at 1 July

Cost  
Under Construction  
Accumulated Depreciation  
Accumulated Impairment

Correction  
Depreciation for the year  
Transfers

#### Net Carrying amount at 30 June

Cost  
Accumulated Depreciation  
Accumulated Impairment

48,506,152

48,833,256

50,888,329

-

(2,382,177)

-

(432,000)

(315,166)

-

47,758,986

50,456,329

(2,697,343)

-

50,899,404

-

(2,066,148)

-

-

(316,029)

(11,075)

48,506,152

50,888,329

(2,382,177)

-

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Revenue derived from the rental of investment property

(1,376,006)

(1,341,989)

Operating expenditure incurred on properties generating revenue

143,054

12,289

Operating expenditure incurred on properties not generating revenue

-

-

12

### HERITAGE ASSETS

#### Net Carrying amount at 1 July

Cost

550,000

550,000

550,000

550,000

#### Net Carrying amount at 30 June

Cost

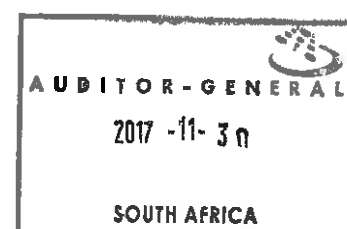
550,000

550,000

550,000

550,000

Heritage assets are carried at its cost less any accumulated impairment losses



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 13 OPERATING LEASE ARRANGEMENTS

#### The Municipality as Lessor (Asset)

	2017 R	2016 R
Balance on 1 July	12,326	21,535
Movement during the year	(2,379)	(9,209)
<b>Balance on 30 June</b>	<b>9,947</b>	<b>12,326</b>

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	43,242	64,599
1 to 5 Years	30,688	73,929
More than 5 Years	-	-
<b>Total Operating Lease Arrangements</b>	<b>73,929</b>	<b>138,528</b>

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land and buildings being leased out for periods ranging until 2019.

### 14 CAPITALISED RESTORATION COST

#### Net Carrying amount at 1 July

Cost	50,973,071	55,802,597
Accumulated Depreciation	(24,154,950)	(17,628,410)
Accumulated Impairment	-	-

#### Acquisitions

#### Under Construction - Cost

#### Disposals

#### Adjustment for the period

#### Depreciation for the year

(5,262,380)	(4,829,526)
(5,480,193)	(6,526,540)

#### Net Carrying amount at 30 June

Cost	45,710,691	50,973,071
Accumulated Depreciation	(29,635,143)	(24,154,950)
Accumulated Impairments	-	-

### 15 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	33,421,820	43,245,560
Deposits: Other	1,729,271	1,443,497
Interest Accrued	160,004	446,189
Other Creditors	438,318	114,455
Library books	24,568	20,542
Payments Received in Advance	4,217,531	2,618,929
Pre-paid Electricity	813,188	741,704
Retentions	3,210,552	5,871,317
<b>Total Trade Payables</b>	<b>44,015,252</b>	<b>54,502,193</b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

Sundry deposits include hall, builders and housing Deposits.





# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

16

### CONSUMER DEPOSITS

Water and Electricity	3,666,150	3,217,431
<b>Total Consumer Deposits</b>	<b>3,666,150</b>	<b>3,217,431</b>
<b>Guarantees held in lieu of Electricity and Water Deposits</b>	<b>-</b>	<b>-</b>

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

### CURRENT PROVISIONS

Current Portion of Rehabilitation of Landfill-sites - Note 20	-	-
<b>Total Provisions</b>	<b>-</b>	<b>-</b>

17

### CURRENT EMPLOYEE BENEFITS

	2017 R	2016 R
Current Portion of Post Retirement Benefits - Note 21	1,755,406	1,849,000
Current Portion of Long-Service Provisions - Note 21	626,884	634,000
Current Portion of Ex-gratia Pension Provisions - Note 21	90,438	40,000
Staff Leave	10,742,245	10,442,989
Performance Bonuses	815,657	773,825
Staff Bonuses	3,416,197	3,201,346
Backdated Remuneration	-	-
<b>Total Current Employee Benefits</b>	<b>17,446,827</b>	<b>16,941,160</b>

The movement in current employee benefits are reconciled as follows:

#### Staff Leave

Balance at beginning of year	10,442,990	8,828,207
Contribution to current portion	1,093,155	1,995,606
Expenditure incurred	(793,899)	(380,823)
<b>Balance at end of year</b>	<b>10,742,246</b>	<b>10,442,990</b>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

### CURRENT EMPLOYEE BENEFITS CONTINUED

#### Performance Bonuses

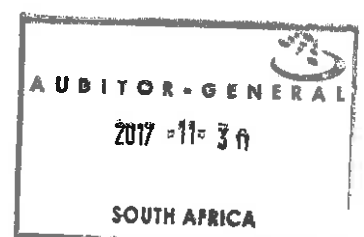
Balance at beginning of year	773,825	730,369
Contribution to current portion	815,657	773,825
Expenditure incurred	(773,825)	(730,369)
<b>Balance at end of year</b>	<b>815,657</b>	<b>773,825</b>

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the council.

#### Staff Bonuses

Balance at beginning of year	3,201,346	3,060,083
Contribution to current portion	5,868,951	5,597,063
Expenditure incurred	(5,654,099)	(5,455,800)
<b>Balance at end of year</b>	<b>3,416,198</b>	<b>3,201,346</b>

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represents the portion of the bonus that have already vested for the current salary cycle.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### UNSPENT PUBLIC CONTRIBUTIONS

	2017 R	2016 R
China - Water meters	49,904	84,307
Essen Belgium	925,332	1,198,591
<b>Total Unspent Public Contributions</b>	<b>975,236</b>	<b>1,282,898</b>

### Reconciliation of public contributions

#### China - Water meters

Opening balance	84,307	118,962
Conditions met - Transferred to revenue	(34,403)	(34,655)
<b>Closing balance</b>	<b>49,904</b>	<b>84,307</b>

3580 Water meters were donated by the Chinese Government to the Witzenberg Municipality. The purpose of the donation is to provide water connections to poor households.

#### Essen Belgium

Opening balance	1,198,591	1,512,288
Contributions received	333,962	1,380,741
Conditions met - Transferred to revenue	(607,221)	(1,694,438)
<b>Closing balance</b>	<b>925,332</b>	<b>1,198,591</b>

A twinning agreement exists between Essen in Belgium and the Witzenberg Municipality. The purpose of the agreement is youth development and crèches.

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### LONG-TERM LIABILITIES

Annuity Loans - At amortised cost	10,638,893	20,241,807
Capitalised Lease Liability - At amortised cost	660,113	1,009,488
	<b>11,299,006</b>	<b>21,251,295</b>
Current Portion transferred to Current Liabilities	<b>(3,717,251)</b>	<b>(10,092,926)</b>
Annuity Loans - At amortised cost	(3,293,689)	(9,725,207)
Capitalised Lease Liability - At amortised cost	(423,562)	(367,719)
	<b>7,581,755</b>	<b>11,158,369</b>
Unamortised charges on loans	<b>(78,471)</b>	<b>(694,280)</b>
Balance 1 July	(694,280)	(1,831,579)
Adjustment for the period	615,809	1,137,299
<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<b>7,503,284</b>	<b>10,464,089</b>

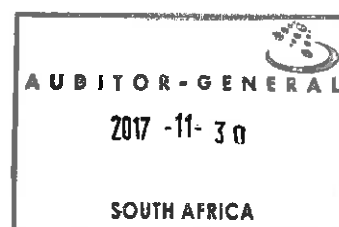
Refer below for maturity dates of long term liabilities:

The obligations under annuity loans are scheduled below:

#### Minimum annuity payments

Amounts payable under annuity loans:

Payable within one year	4,287,313	11,735,646
Payable within two to five years	7,639,910	10,724,199
Payable after five years	1,091,920	2,091,424
	<b>13,019,143</b>	<b>24,551,269</b>
<b>Less: Future finance obligations</b>	<b>(2,380,250)</b>	<b>(4,309,462)</b>
<b>Present value of annuity obligations</b>	<b>10,638,893</b>	<b>20,241,807</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

LONG-TERM LIABILITIES CONTINUED	2017 R	2016 R
Annuity loans at amortised cost is calculated at an average 12.47% interest rate, with a final maturity date of 30 June 2023.		
The obligations under finance leases are scheduled below:		
	<b>Minimum lease payments</b>	
Amounts payable under finance leases:		
Payable within one year	469,250	450,000
Payable within two to five years	243,775	693,775
Payable after five years	713,025	1,143,775
	(52,913)	(134,287)
<b>Less: Future finance obligations</b>	<b>660,112</b>	<b>1,009,488</b>
<b>Present value of lease obligations</b>		

20

### NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	70,249,120	68,641,116
<b>Total Non-current Provisions</b>	<b>70,249,120</b>	<b>68,641,116</b>

The provision includes the rehabilitation cost of landfill sites in Ceres, Prince Alfred's Hamlet, Op-die-Berg, Tulbagh and Wolseley. The expected closing dates of the sites are:

Ceres - 2010 (The site is longer in operation)

Prince Alfred's Hamlet - 2027

Op-die- Berg - 2019

Tulbagh - 2018

Wolseley - 2018

#### Landfill Sites

Balance 1 July	68,641,116	66,794,185
Contribution for the year		
Unwinding of Interest	6,870,384	6,676,457
Expenditure for the year		
Adjustment for the period	(5,262,380)	(4,829,526)
<b>Total provision 30 June</b>	<b>70,249,120</b>	<b>68,641,116</b>
<b>Less: Transfer of Current Portion to Current Provisions - Note</b>		
<b>Balance 30 June</b>	<b>70,249,120</b>	<b>68,641,116</b>
Discount rate	10.50%	10.50%
Inflation Rate	5.10%	6.30%

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### EMPLOYEE BENEFITS

Post-employment Health Care Benefits	70,619,811	74,152,000
Long Service Awards	4,702,173	4,967,000
Ex-Gratia Pension Benefits	63,705	204,000
<b>Total Non-current Employee Benefit Liabilities</b>	<b>75,385,689</b>	<b>79,323,000</b>

#### Post-employment Health Care Benefits

Balance 1 July	76,001,000	71,440,000
Contribution for the year	4,031,000	3,164,000
Interest Cost	7,659,000	6,596,000
Expenditure for the year	(1,964,623)	(1,792,262)
Actuarial Loss/(Gain)	(13,351,160)	(3,406,738)
<b>Total post retirement Health Care benefits 30 June</b>	<b>72,375,217</b>	<b>76,001,000</b>
<b>Less: Transfer of Current Portion - Note 17</b>	<b>(1,755,406)</b>	<b>(1,849,000)</b>
<b>Balance 30 June</b>	<b>70,619,811</b>	<b>74,152,000</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### EMPLOYEE BENEFITS CONTINUED

#### Long Service Awards

	2017 R	2016 R
Balance 1 July	5,601,000	5,648,000
Contribution for the year	447,000	463,000
Interest Cost	541,000	514,000
Expenditure for the year	(602,928)	(709,079)
Actuarial Loss/(Gain)	(657,015)	(314,921)
<b>Total long service 30 June</b>	<b>5,329,067</b>	<b>5,601,000</b>
<b>Less:</b> Transfer of Current Portion - Note 17	(626,884)	(634,000)
<b>Balance 30 June</b>	<b>4,702,173</b>	<b>4,967,000</b>

#### Ex-Gratia Pensions

Balance 1 July	244,000	330,000
Contribution for the year	-	-
Interest Cost	18,000	35,000
Expenditure for the year	(1,529)	(23,746)
Actuarial Loss/(Gain)	(106,328)	(97,254)
<b>Total Ex-Gratia 30 June</b>	<b>154,143</b>	<b>244,000</b>
<b>Less:</b> Transfer of Current Portion - Note 17	(90,438)	(40,000)
<b>Balance 30 June</b>	<b>63,705</b>	<b>204,000</b>

#### TOTAL NON-CURRENT EMPLOYEE BENEFITS

Balance 1 July	81,846,000	77,418,000
Contribution for the year	4,478,000	3,627,000
Interest cost	8,218,000	7,145,000
Expenditure for the year	(2,569,080)	(2,525,087)
Actuarial Loss/(Gain)	(14,114,503)	(3,818,913)
<b>Total employee benefits 30 June</b>	<b>77,858,417</b>	<b>81,846,000</b>
<b>Less:</b> Transfer of Current Portion - Note 17	(2,472,728)	(2,523,000)
<b>Balance 30 June</b>	<b>75,385,689</b>	<b>79,323,000</b>

### 21.1 Post-employment Health Care Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	234	252
Continuation members (e.g. Retirees, widows, orphans)	53	54
<b>Total Members</b>	<b>287</b>	<b>306</b>

The liability in respect of past service has been estimated to be as follows:

In-service members	50,585,753	53,302,000
Continuation members	21,789,464	22,699,000
<b>Total Liability</b>	<b>72,375,217</b>	<b>76,001,000</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2015 R	2014 R	2013 R
In-service members	44,877,000	46,097,000	35,087,000
Continuation members	26,563,000	22,258,000	18,843,000
<b>Total Liability</b>	<b>71,440,000</b>	<b>68,355,000</b>	<b>53,930,000</b>

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
Keyhealth.  
LA Health  
Hosmed and  
Samwumed.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### EMPLOYEE BENEFITS CONTINUED

Key actuarial assumptions used:

	2017	2016
<b>i) Rate of Interest</b>		
Discount rate	9.81%	8.94%
Health Care Cost Inflation Rate	8.11%	8.05%
Net Effective Discount Rate	1.57%	0.82%

**ii) Mortality rates**

The PA 90 ultimate table was used by the actuaries.

**iii) Normal retirement age**

The average retirement age for all active employees was assumed to be 58 years. This assumption implicitly allows for ill-health and early retirements.

	2017 R	2016 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	72,375,217	76,001,000
<b>Net liability/(asset)</b>	<b>72,375,217</b>	<b>76,001,000</b>

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits, paragraph 155 (a).

**Reconciliation of present value of fund obligation:**

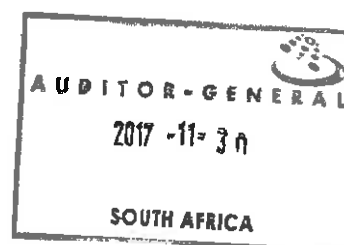
Present value of fund obligation at the beginning of the year	76,001,000	71,440,000
Total expenses	9,725,377	7,967,738
Current service cost	4,031,000	3,164,000
Interest Cost	7,659,000	6,596,000
Benefits Paid	(1,964,623)	(1,792,262)
Actuarial (gains)/losses	(13,351,160)	(3,406,738)
Present value of fund obligation at the end of the year	72,375,217	76,001,000
<b>Less:</b> Transfer of Current Portion - Note 17	(1,755,406)	(1,849,000)
<b>Balance 30 June</b>	<b>70,619,811</b>	<b>74,152,000</b>

**Sensitivity Analysis on the Accrued Liability at 30 June 2017**

Assumption	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)
Central Assumptions	50,586	21,789	72,375

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Central assumptions		50,586	21,789	72,375	
Health care inflation	1%	60,409	23,901	84,310	16
Health care inflation	-1%	42,726	19,950	62,676	-13
Mortality rate	20%	47,553	20,145	67,698	-6
Mortality rate	-20%	54,332	23,876	78,208	8



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**EMPLOYEE BENEFITS CONTINUED**

**2017**

**2016**

**21.2 Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

**491**

**476**

**i) Rate of interest**

	<b>2017</b>	<b>2016</b>
Discount rate	8.32%	7.96%
General Salary Inflation (long-term)	6.13%	7.33%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.05%	0.59%

**2017  
R**

**2016  
R**

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations

5,329,057

5,601,000

**Net liability**

**5,329,057**

**5,601,000**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

**2015  
R**

**2014  
R**

**2013  
R**

**Net liability**

**5,601,000**

**5,139,000**

**5,076,000**

**2017  
R**

**2016  
R**

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year

5,601,000

5,648,000

Total expenses

385,072

267,921

Current service cost

447,000

463,000

Interest Cost

541,000

514,000

Benefits Paid

(602,928)

(709,079)

Actuarial (gains)/losses

(657,015)

(314,921)

Present value of fund obligation at the end of the year

5,329,057

5,601,000

**Less:** Transfer of Current Portion - Note 17

(626,884)

(634,000)

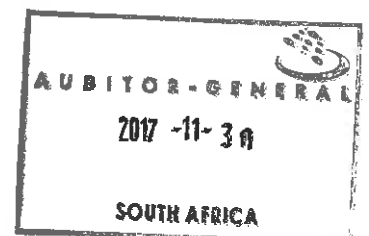
**Balance 30 June**

**4,702,173**

**4,967,000**

**Sensitivity Analysis on the Accrued Liability at 30 June 2017**

<b>Assumption</b>	<b>Change</b>	<b>Liability (R'000)</b>	<b>% change</b>
Central assumptions		5,329	
General salary inflation	1.00%	5,619	5%
General salary inflation	-1.00%	5,063	-5%
Withdrawal rates	20%	4,949	-7%
Withdrawal rates	-20%	5,533	4%



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**EMPLOYEE BENEFITS CONTINUED**

**2017**

**2016**

**21.3 Ex-Gratia Pension Benefits**

The Ex-Gratia Pension Benefits plans are defined benefit plans.

As at year end, the following number of employees were eligible for Ex-Gratia Pension Benefits.

31

34

**i) Rate of Interest**

Discount rate	8.37%	8.37%
General Pension Inflation (long-term)	0.00%	6.66%
Net Effective Discount Rate applied to Ex-Gratia Pension Benefits	8.37%	0.43%

**2017  
R**

**2016  
R**

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	<u>154,143</u>	<u>244,000</u>
<b>Net liability</b>	<u><b>154,143</b></u>	<u><b>244,000</b></u>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

**2015  
R**

**2014  
R**

**2013  
R**

<b>Net liability</b>	<u><b>244,001</b></u>	<u><b>318,000</b></u>	<u><b>340,000</b></u>
----------------------	-----------------------	-----------------------	-----------------------

**EMPLOYEE BENEFITS CONTINUED**

**2017  
R**

**2016  
R**

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year	244,000	330,000
Total expenses	16,471	11,254
Current service cost	-	-
Interest Cost	18,000	35,000
Benefits Paid	(1,529)	(23,746)
<b>Actuarial (gains)/losses</b>	<u><b>(106,328)</b></u>	<u><b>(97,254)</b></u>
Present value of fund obligation at the end of the year	<u>154,143</u>	<u>244,000</u>
<b>Less:</b> Transfer of Current Portion - Note	<u><b>(90,438)</b></u>	<u><b>(40,000)</b></u>
<b>Balance 30 June</b>	<u><b>63,705</b></u>	<u><b>204,000</b></u>

**Sensitivity Analysis on the Accrued Liability at 30 June 2017**

<b>Assumption</b>	<b>Change</b>	<b>Total liability (R'000)</b>	<b>% change</b>
Central assumptions		154	
Withdrawal rates	+20%	153	-0.7%
Withdrawal rates	-20%	155	0.6%



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### EMPLOYEE BENEFITS CONTINUED

2017  
R

2016  
R

#### 21.4 Retirement funds

##### CAPE JOINT PENSION FUND

The funding level of the CJPF (Pensions Account section) was 105.1% as at the 30 June 2013 valuation date compared with a 99.4% funding level as at 30 June 2012. The Fund is in a sound financial condition at the valuation date. As at the 30 June 2013 valuation date (in totality) the members contributed at a rate of 9% of pensionable salaries and (in totality) the Local Authorities contributed at a rate of 18% of pensionable salaries.

Contributions paid recognised in the Statement of Financial Performance

402,234

426,587

##### SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

The funding level at the most recent actuarial valuation (1 July 2012) of 100% was calculated on a Discounted Cash Flow (DCF) basis. The funding level has improved since the previous valuation. The valuation actuary recommended that the prevailing employer contribution rate at 1 July 2012 be maintained at 15.26%. This includes a margin of 3.92% over and above the contribution rate required to fund the Projected Unit Method future service benefits and associated costs.

Contributions paid recognised in the Statement of Financial Performance

475,570

423,555

##### DEFINED CONTRIBUTION FUNDS

Council contributes to: the Government Employees Pension Fund; Municipal Council Pension Fund; National Fund for Municipal Workers (IMATU); and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Cape Joint Retirement Fund  
Municipal Councillors Pension Fund  
National Fund For Municipal Employees (IMATU)  
SAMWU National Provident Fund

15,995,618

257,362

150,901

3,983,521

20,387,403

14,682,604

384,673

142,654

3,908,359

19,118,290

#### 22 NET ASSET RESERVES

Capital Replacement Reserve

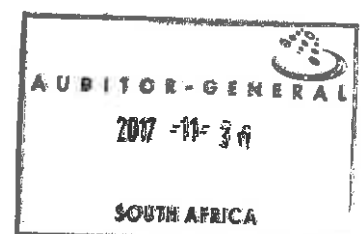
10,354,788

9,548,191

**Total Net Asset Reserves**

**10,354,788**

**9,548,191**





# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### PROPERTY RATES

#### Actual

	2017 R	2016 R
<b>Rates Levied</b>	66,423,288	62,520,482
Business	10,337,309	10,206,804
Building Clauses	115,580	108,160
Rural	16,073,457	14,442,602
Industrial	7,813,561	7,007,909
Residential	23,347,919	22,440,759
State	6,823,916	6,638,749
Vacant Land	1,896,425	1,661,496
Public Service Infrastructure	15,121	14,003
Less: Revenue Forgone	(6,774,257)	(6,916,185)
<b>Total Assessment Rates</b>	<b>59,649,031</b>	<b>55,604,297</b>

#### Valuations - 1 JULY

#### **Rateable Land and Buildings**

Residential Property	2,683,792,990	2,674,117,190
Commercial Property	784,723,000	785,815,000
Industrial Property	446,895,000	442,495,000
Informal Property	32,801,000	30,173,000
Agricultural Purposes	5,197,084,300	5,195,601,700
State - National/ Provincial Services	406,743,600	410,112,600
Public Service Infrastructure	6,575,000	6,575,000
Vacant Property	191,379,900	151,828,610
<b>Total Valuation</b>	<b>9,749,994,790</b>	<b>9,696,718,100</b>

Assessment Rates are levied on the value of land and improvements. The valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

#### **Rates:**

Residential	0.918c/R	0.850c/R
Commercial	1.744c/R	1.615c/R
Industrial	1.744c/R	1.615c/R
Bona Fide Agricultural	0.230c/R	0.213c/R

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:  
Residential - The first R100 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

24

### GOVERNMENT GRANTS AND SUBSIDIES

#### Unconditional Grants

Equitable Share

#### Conditional Grants

Grants and donations  
Subsidies

#### Total Government Grants and Subsidies

Government Grants and Subsidies - Capital  
Government Grants and Subsidies - Operating

2017  
R

2016  
R

59,734,000

54,850,000

59,734,000

54,850,000

80,462,666

72,037,321

80,462,666

72,037,321

-

-

140,196,666

126,887,321

38,768,028

55,446,601

101,428,638

71,440,720

140,196,666

126,887,321

Please refer to appendix D for more detailed disclosure of Government Grants and Subsidies.

The Municipality does not expect any significant changes to the level of grants.

### GOVERNMENT GRANTS AND SUBSIDIES CONTINUED

2017  
R

2016  
R

#### 24.1 Equitable share

Opening balance

Grants received

Conditions met - Operating

Conditions met - Capital

Write off / Transfers

Conditions still to be met/(Grant expenditure to be recovered)

-

-

59,325,000

54,850,000

(59,734,000)

(54,850,000)

-

-

409,000

-

-

-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

#### 24.2 Local Government Financial Management Grant (FMG)

Opening balance

Grants received

Conditions met - Operating

Conditions met - Capital

Conditions still to be met/(Grant expenditure to be recovered)

-

(441)

1,475,000

1,450,000

(1,337,660)

(1,179,615)

(398,655)

(269,944)

(261,315)

-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

#### 24.3 Municipal Systems Improvement Grant

Opening balance

Grants received

Conditions met - Operating

Conditions met - Capital

Conditions still to be met/(Grant expenditure to be recovered)

-

-

-

930,000

-

(361,200)

-

(568,800)

-

-

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### GOVERNMENT GRANTS AND SUBSIDIES CONTINUED

24.4 Municipal Infrastructure Grant (MIG)	2017 R	2016 R
Opening balance	3,399,041	(650,831)
Grants received	21,389,000	25,278,000
Conditions met - Operating	(237,600)	(4,445,988)
Conditions met - Capital	(24,640,860)	(16,782,140)
Conditions still to be met/(Grant expenditure to be recovered)	<u>(90,419)</u>	<u>3,399,041</u>

The grant was used to upgrade infrastructure in previously disadvantaged areas.

### 24.5 Housing Grants

Opening balance	1,478,410	-
Grants received	31,706,989	28,927,739
Conditions met - Operating	(24,264,670)	(440,857)
Conditions met - Capital	(8,354,095)	(27,008,472)
Conditions still to be met/(Grant expenditure to be recovered)	<u>566,634</u>	<u>1,478,410</u>

Housing grants was utilised for the development of erven and the erection of top structures.

### 24.6 Integrated National Electrification Grant

Opening balance	507,547	29,959
Grants received	5,000,000	4,000,000
Conditions met - Operating	-	(484,404)
Conditions met - Capital	(5,900,005)	(3,038,008)
Write off / Transfers	(409,000)	-
Conditions still to be met/(Grant expenditure to be recovered)	<u>(801,458)</u>	<u>507,547</u>

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

### 24.7 Library services

Opening balance	1,416,673	469,502
Grants received	7,975,000	8,915,000
Conditions met - Operating	(8,764,144)	(7,157,326)
Conditions met - Capital	(627,672)	(810,503)
Conditions still to be met/(Grant expenditure to be recovered)	<u>(143)</u>	<u>1,416,673</u>

### 24.7 Other Grants

Opening balance	3,533,167	1,478,215
Grants received	4,406,000	12,012,000
Conditions met - Operating	(1,685,029)	(5,689,029)
Conditions met - Capital	(4,239,900)	(4,268,019)
Write off / Transfers	-	-
Conditions still to be met/(Grant expenditure to be recovered)	<u>2,014,238</u>	<u>3,533,167</u>

Various grants were received from other spheres of government of which the material ones are: Main Roads Grant R 120 000, Drought Relieve R 396 833 etc.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
<b>24.8 Total Grants</b>		
Opening balance	10,334,838	1,326,404
Grants received	131,276,989	136,362,739
Conditions met - Operating	(96,023,103)	(74,608,419)
Conditions met - Capital	(44,161,187)	(52,745,886)
Conditions still to be met/(Grant expenditure to be recovered)	<u>1,427,537</u>	<u>10,334,838</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	3,690,206	10,347,213
Unpaid Conditional Government Grants and Receipts	(2,262,670)	(12,375)
	<u>1,427,536</u>	<u>10,334,838</u>
<b>25 SERVICE CHARGES</b>		
Electricity	217,857,368	201,090,680
Water	36,642,847	42,166,718
Refuse removal	23,944,769	26,508,826
Sewerage and Sanitation Charges	23,254,948	26,091,673
Bulk service levies	56,825	117,813
	<u>301,756,757</u>	<u>295,975,710</u>
Less: Revenue Forgone	(15,135,568)	(16,433,558)
<b>Total Service Charges</b>	<u>286,621,189</u>	<u>279,542,152</u>
Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
<b>26 OTHER INCOME</b>		
Application fees - Town Planning	70,937	35,670
Building Plan Fees	942,761	727,198
Cemetery Fees	245,842	213,865
Clip Cards	166,642	172,862
Collection Fees	59,058	187,210
Damages Income	31,666	25,001
Housing	239,556	257,257
Industrial Effluent	26,708	21,421
Insurance Claims Received	595,701	162,168
Mayor's Golf Day	151,264	117,574
Re-connection fees	266,438	222,219
Refuse Bags	2,854	3,740
Servitudes	-	4,828,322
Skills Development Levies received	44,119	234,023
Special Projects	50,860	42,350
Sundry Income	1,897,659	1,070,936
<b>Total Other Income</b>	<u>4,792,065</u>	<u>8,321,816</u>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### EMPLOYEE RELATED COSTS

	2017 R	2016 R
Salaries and Wages	83,914,997	76,452,237
Bargaining Council Levy	50,473	47,186
Bonuses	7,419,392	6,394,808
Contributions For Pensions	13,149,878	11,875,700
Contributions For Medical Aids	5,952,737	5,397,130
Contributions For UIF	754,416	723,352
Ex-Gratia Pension	-	-
Group Life Insurance	1,342,260	1,196,502
Housing Benefits and Allowances	1,366,522	1,386,326
Leave Reserve	1,093,155	1,995,605
Long service awards	447,000	463,000
Overtime	8,642,117	7,569,115
Post Employment Health Care Benefits	4,031,000	3,164,000
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	5,270,369	4,303,988
	<u>133,434,316</u>	<u>120,968,949</u>
Less: Employee Cost allocated elsewhere	(101,754)	(75,535)
<b>Total Employee Related Costs</b>	<u><b>133,332,562</b></u>	<u><b>120,893,414</b></u>

### KEY MANAGEMENT PERSONNEL

The Municipal Manager and Directors are appointed on fixed term contracts.

### REMUNERATION OF KEY MANAGEMENT PERSONNEL

#### *Remuneration of the Municipal Manager*

Annual Remuneration	1,040,835	1,003,332
Performance Bonuses	189,663	179,012
Travelling Allowance	108,000	108,000
Housing Allowance	-	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	262,671	260,419
Travelling Expenses	23,985	27,981
Leave encashment	119,217	-
Other Allowance	5,617	-
<b>Total</b>	<u><b>1,749,988</b></u>	<u><b>1,578,743</b></u>

#### *Remuneration of the Director Technical Services*

Annual Remuneration	731,737	741,501
Performance Bonuses	146,041	137,839
Travelling Allowance	373,998	301,646
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3,569	15,056
Travelling Expenses	30,360	31,437
<b>Total</b>	<u><b>1,285,705</b></u>	<u><b>1,227,480</b></u>

#### *Remuneration of the Director Corporate Services*

Annual Remuneration	755,456	733,934
Performance Bonuses	146,041	137,839
Travelling Allowance	188,000	168,000
Housing Allowance	-	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	150,883	155,605
Travelling Expenses	41,610	84,969
Leave encashment	97,305	-
Other Allowance	4,592	-
<b>Total</b>	<u><b>1,383,887</b></u>	<u><b>1,280,347</b></u>

#### *Remuneration of the Director Financial Services*

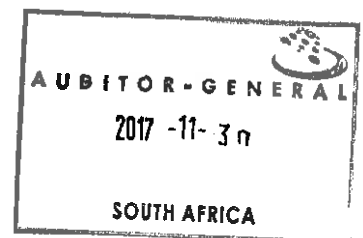
Annual Remuneration	765,607	649,236
Performance Bonuses	146,041	137,839
Travelling Allowance	150,000	180,000
Housing Allowance	-	52,902
Contributions to UIF, Medical, Pension Funds and Bargaining Council	193,698	175,226
Travelling Expenses	36,509	54,747
Other Allowance	19,200	14,400
<b>Total</b>	<u><b>1,311,055</b></u>	<u><b>1,264,350</b></u>



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>R</b>	<b>R</b>
<b>EMPLOYEE RELATED COSTS CONTINUED</b>		
<i>Remuneration of the Director Community Services</i>		
Annual Remuneration	818,049	770,613
Performance Bonuses	146,041	137,839
Travelling Allowance	90,000	90,000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	201,256	196,459
Travelling Expenses	7,013	16,258
<b>Total</b>	<b>1,262,359</b>	<b>1,211,169</b>
 <b>28 REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	780,041	770,070
Deputy Mayor	578,536	562,856
Speaker	578,776	591,642
Mayoral Committee Members	2,101,805	2,112,841
Ordinary Councillors	3,850,408	3,677,684
Pension fund contributions	835,872	904,426
Medical aid contributions	54,137	42,135
<b>Total Councillors' Remuneration</b>	<b>8,779,575</b>	<b>8,661,654</b>
 <i>In-kind Benefits</i>		
The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Executive Mayor, Speaker and all the Mayoral committee members are provided with secretarial support and an office at the cost of the Council.		
 <b>29 DEBT IMPAIRMENT</b>		
Long term Receivables - Note 6	-	163,924
Receivables from exchange transactions - Note 3	18,242,358	20,875,419
Receivables from non-exchange transactions - Note 4	19,467,115	13,502,947
<b>Total Contribution to Debt Impairment</b>	<b>37,709,473</b>	<b>34,542,290</b>
 <b>30 DEPRECIATION AND AMORTISATION</b>		
Property Plant and Equipment	20,193,134	19,964,981
Investment Property	315,166	316,029
Intangible Assets	154,053	365,785
Capitalised restoration cost	5,480,193	6,526,540
<b>Total Depreciation and Amortisation</b>	<b>26,142,546</b>	<b>27,173,335</b>
 <b>31 IMPAIRMENTS</b>		
Property Plant & Equipment	137,679	21,500
<b>Total Impairments</b>	<b>137,679</b>	<b>21,500</b>
 <b>32 FINANCE CHARGES</b>		
Long-term Liabilities	1,868,713	2,942,696
Finance leases	-	-
Ex-Gratia Pension	18,000	35,000
Bank Overdraft	-	-
Post Employment Health Care Benefits	7,659,000	6,596,000
Long service awards	541,000	514,000
Capitalised restoration cost	6,870,384	6,676,457
Other	-	-
<b>Total finance charges</b>	<b>16,957,097</b>	<b>16,764,153</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

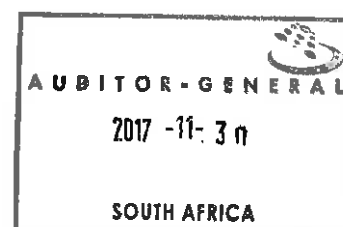
		2017 R	2016 R
<b>33</b>	<b>BULK PURCHASES</b>		
	Electricity	179,202,804	160,424,870
	<b>Total Bulk Purchases</b>	<b>179,202,804</b>	<b>160,424,870</b>
<b>34</b>	<b>GRANTS AND SUBSIDIES</b>		
	Sport	-	-
	Council	235,438	282,229
	Tourism	705,600	687,033
	<b>Total Grants and Subsidies</b>	<b>941,038</b>	<b>969,262</b>
<b>35</b>	<b>GENERAL EXPENSES</b>		
	Audit Committee	106,358	132,530
	Audit Fees	2,489,273	2,321,680
	Bank Charges	685,658	574,445
	Cell phone	280,892	252,854
	Chemicals	947,098	1,017,316
	Communication & Events	241,305	241,855
	Commission	1,695,574	1,648,004
	Connection Cost	855,362	1,034,910
	Consultant Fees	104,705	142,900
	Consumable Items	292,865	696,454
	Data lines	181,520	218,552
	Developing Projects	275,090	144,971
	Entertainment	383,124	240,689
	Eskom Electricity	1,899,599	1,500,751
	Expenditure against Grants	120,000	3,772,005
	Expenditure against Public Donations	614,434	541,575
	Indigent costs	726,431	717,909
	Insurance	1,048,734	930,302
	Investigations	-	69,000
	Job Creation	2,050,609	2,534,678
	Job Discriptions	-	280,000
	Koekedouw	538,040	1,217,737
	Membership Fees	1,358,565	1,344,941
	Printing and Stationary	1,819,848	1,489,461
	Projects	1,032,738	265,467
	Protective Clothing	1,032,962	570,082
	Professional Fees	2,162,390	1,653,527
	Refuse bags	2,364,461	1,758,648
	Removal of aliens	280,950	59,324
	Rental of Offices	753,345	558,315
	Sewerage analysis	703,890	596,353
	Soup Kitchen	170,000	160,000
	Strategic Partnerships	273,055	406,474
	Telephone and Postage	2,402,929	2,357,510
	Training	1,527,797	1,010,444
	Travel and Accommodation	1,413,846	1,139,511
	TV Transponder	-	-
	Valuation Costs	752,273	49,611
	Vehicle Fleet Costs	5,665,666	5,383,060
	Veterinary Expenses	275,000	250,000
	Ward Committee Allowance	347,000	664,500
	Wards	148,667	171,125
	Water levies	300,064	155,486
	Wheelie Bins	419,615	-
	Other	2,722,961	2,882,640
	<b>General Expenses</b>	<b>43,464,693</b>	<b>43,157,596</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

36	CORRECTION OF ERROR IN TERMS OF GRAP 3	2017 R	2016 R
36.1	<b>Property, Plant and Equipment</b>		
	Balance previously reported		712,892,875
	Recognition of PPE retention- Note 36.9		830,377
	Correction of Accumulated Depreciation - Note 36.11		(194,546)
	Recognition of PPE : Infrastructure		48,299
	Depreciation on new assets for 2014/2015 - Note 36.12		(873,621)
	<b>Balance now reported</b>		<b>712,703,384</b>
36.2	<b>Unspent Conditional Government Grants and Receipts</b>		
	Balance previously reported		11,554,082
	Correction of VAT on Grants - Note 36.11		2,700,717
	Recognition of Grant for Drought relieve expenditure - Note 36.3		(3,907,586)
	<b>Balance now reported</b>		<b>10,347,213</b>
36.3	<b>Government Grants and subsidies</b>		
	Balance previously reported		70,830,452
	Correction of VAT on Grants - Note 36.11		(2,700,717)
	Recognition of Grant for Drought relieve expenditure - Note 36.2		3,907,586
	<b>Balance now reported</b>		<b>72,037,321</b>
36.4	<b>Municipal Infrastructure Grant: Conditions met Capital</b>		
	Balance previously reported		19,482,858
	Correction of VAT on Grants - Note 36.11		(2,700,718)
	<b>Balance now reported</b>		<b>16,782,140</b>
36.5	<b>Repairs and Maintenance</b>		
	Balance previously reported		19,675,144
	Recognition of retention: Operational Projects - Note 36.9		466,538
	<b>Balance now reported</b>		<b>20,141,682</b>
36.6	<b>Receivables from exchange transactions: Other</b>		
	Balance previously reported		1,667,121
	Correction of Accrued interest incorrectly disclosed as impairment - Note 36.7		276,918
	<b>Balance now reported</b>		<b>1,944,039</b>
36.7	<b>Receivables from exchange transactions: Provision for Impairment</b>		
	Balance previously reported		(106,039,254)
	Correction of Accrued interest incorrectly disclosed as impairment - Note 36.6		(276,918)
	<b>Balance now reported</b>		<b>(106,316,172)</b>
36.8	<b>Receivables from non-exchange transactions</b>		
	Balance previously reported		6,672,523
	Correction of Membership Fees paid in advance - Note 36.13		(1,035,252)
	Correction of Accrued Fines - Note 36.13		805,384
	<b>Balance now reported</b>		<b>6,442,655</b>





# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 36.9 Payables from exchange transactions

<b>Balance previously reported</b>	<b>53,707,640</b>
Recognition of retention: Capital Projects - Note 36.1	830,377
Recognition of retention: Operational Projects - Note 36.5	466,538
Recognition of unidentified deposits- Note 36.13	(550,659)
Recognition of creditor: Capital Expenditure	48,297
<b>Balance now reported</b>	<b>54,502,193</b>

### 36.10 Depreciation and Amortisation

<b>Balance previously reported</b>	<b>26,978,789</b>
Correction of depreciation - Note 36.1	194,546
<b>Balance now reported</b>	<b>27,173,335</b>

### 36.11 Net Surplus for the year

<b>Balance previously reported</b>	<b>64,856,329</b>
Recognition of retention: Operational Projects - Note 36.9	(466,538)
Correction of VAT on Grants - Note 36.2	(2,700,717)
Recognition of Grant for Drought relieve expenditure - Note 36.3	3,907,586
Correction of Accumulated Depreciation - Note 36.1	(194,546)
<b>Balance now reported</b>	<b>65,402,113</b>

### 36.12 Accumulated Surplus as at 30 June 2016

<b>Balance previously reported</b>	<b>692,248,109</b>
Recognition of retention - Note 36.9	(466,538)
Correction of VAT on Grants - Note 36.2	(2,700,717)
Correction of Membership Fees paid in advance - Note 36.6	(1,035,252)
Recognition of unidentified deposits- Note 36.9	550,659
Correction of Accrued Fines - Note 36.8	805,384
Correction of Accumulated Depreciation - Note 36.1	(873,620)
Correction of Accumulated Depreciation - Note 36.1	(194,546)
Recognition of Grant for Drought relieve expenditure - Note 36.11	3,907,586
<b>Balance now reported</b>	<b>692,241,065</b>

### 36.13 Accumulated Surplus as at 30 June 2015

<b>Balance previously reported</b>	<b>627,509,596</b>
Correction of Membership Fees paid in advance - Note 36.6	(1,035,252)
Recognition of unidentified deposits- Note 36.9	550,659
Correction of Accrued Fines - Note 36.8	805,384
Correction of Accumulated Depreciation - Note 36.1	(873,620)
<b>Balance now reported</b>	<b>626,956,767</b>



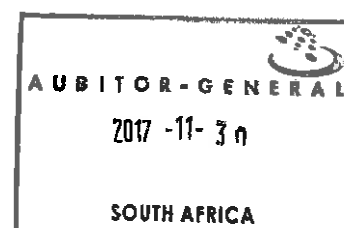
# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

37

### RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS

	2017 R	2016 R
Surplus/(Deficit) for the year	97,315,727	65,402,114
<b><u>Adjustments for:</u></b>		
Depreciation	25,988,493	26,807,550
Amortisation of Intangible Assets	154,053	365,785
Gain on disposal of property, plant and equipment	(231,843)	3,728
Unamortised Discount on Loans	615,809	1,132,646
Debt Impairment	37,709,473	34,542,290
Stock Adjustments	-	377
Contribution from/to provisions	6,870,384	6,676,458
Contribution from/to employee benefits	10,682,860	10,046,414
Actuarial Gain	(14,114,503)	(3,818,913)
Donated assets included in Public Contributions	(54,112,224)	
Impairment written off	137,679	21,500
Operating lease income accrued	2,379	9,209
Operating Surplus/(Deficit) before changes in working capital	111,018,287	141,189,158
Changes in working capital	(63,470,727)	(22,624,009)
Increase/(Decrease) in Trade and Other Payables	(10,486,941)	4,901,804
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(6,657,007)	8,198,943
Increase/(Decrease) in Unspent Public Contributions	(307,662)	(348,352)
Increase/(Decrease) in Taxes	1,600,686	(1,531,743)
(Increase)/Decrease in Inventory	(3,944,229)	1,920,440
(Increase)/Decrease in Trade and other receivables	(41,425,279)	(36,574,596)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(2,250,295)	809,495
<b>Cash generated/(absorbed) by operations</b>	<b>47,547,560</b>	<b>118,565,149</b>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 38 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 2	76,333,137	97,039,728
	76,333,137	97,039,728
Less:	3,690,206	10,347,213
Unspent Committed Conditional Grants - Note 7	3,690,206	10,347,213
VAT - Note 8	-	-
<b>Resources available for working capital requirements</b>	<b>72,642,931</b>	<b>86,692,515</b>
<b>Allocated to:</b>		
Capital Replacement Reserve	10,354,788	9,548,191
Employee Benefits Reserve	92,832,516	96,264,160
Non-Current Provisions Reserve	70,249,120	68,641,116
<b>Shortfall in working capital requirements</b>	<b>(100,793,493)</b>	<b>(87,760,952)</b>

### 39 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

	2017 R	2016 R
Long-term Liabilities - Note 19	11,299,006	21,251,295
Used to finance property, plant and equipment - at cost	(11,299,006)	(21,251,295)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

### 40 BUDGET COMPARISONS

#### Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance

Net surplus/deficit per the statement of financial performance	97,315,727
Adjusted for:	
Fair value adjustments	a) (14,114,503)
Depreciation and Amortisation recognised / reversed	b) (779,930)
Increases in debt impairment	c) (2,870,087)
Employee related cost	d) (4,426,862)
Finance Charges	e) (54,196)
Bulk Purchases	f) (18,070)
Other Expenditure	g) (5,468,058)
Rates & Service Charges	h) 9,197,462
Grants & Donations	i) (54,681,152)
Other Income	j) (12,249,244)
<b>Net surplus/deficit per approved budget</b>	<b>11,851,087</b>

- a) Actuarial gains on Employee Benefits
- b) Depreciation less than expected due to slow capital spending
- c) Collection ratio less than expected. Collection of traffic fines to slow
- d) Employee cost less than budget due to vacancies not filled timeously
- e) Loans redeemed
- f) Bulk purchases less than expected.
- g) Contracted Services less than budget due to effective contract management.
- h) Property rates increase due to the inclusion of the District Management Area .
- i) Improved spending of Grants received.
- j) More interest earned than expected and Income received from Servitude

Please refer to the statement of comparison of budget and actual amounts for more information.



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**41 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**

None

**41.2 Material Losses**

**Water distribution losses**

	2017	2016
- Kilolitres purified	6,508,218	6,088,276
- Kilolitres sold	5,248,496	5,125,931
- Kilolitres lost during distribution	1,259,722	962,345
- Percentage lost during distribution	19.36%	15.81%
- Value of kilolitres lost during distribution	487,798	622,405
- The value of kilolitres lost is based on the treatment cost of water.		

The estimated consumption for public open spaces and informal houses are calculated on a conservative bases using baseline consumption estimations provided by the Department of Water Affairs. Water meters will be installed to measure the mentioned consumption in the future.

**Electricity distribution losses**

- Units purchased (Kwh)	205,824,759	200,214,058
- Units sold (Kwh)	185,188,502	183,813,777
- Units lost during distribution (Kwh)	20,636,257	16,400,281
- Percentage lost during distribution	10.03%	8.19%
- Value of units lost during distribution (Kwh)	17,967,105	13,141,000

The electricity losses are in line with the guideline of the National Energy Regulator of South Africa of 10%

**42 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**42.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS**

	2017 R	2016 R
Opening balance	-	-
Council subscriptions	1,322,271	1,336,228
Amount paid - current year	(1,322,271)	(1,336,228)
<b>Balance unpaid (Included In Payables from exchange transactions)</b>	<b>-</b>	<b>-</b>

**42.2 Audit fees - [MFMA 125 (1)(c)]**

Opening balance	-	-
Current year audit fee	2,595,941	2,454,210
External Audit - Auditor-General	2,489,273	2,321,680
Internal Audit	310	-
Audit Committee	106,358	132,530
Amount paid - current year	2,595,941	2,454,210
<b>Balance unpaid (included in Payables from exchange transactions)</b>	<b>-</b>	<b>-</b>

**42.3 VAT - [MFMA 125 (1)(c)]**

Opening balance	6,207,995	(1,405,076)
Amounts received - Output VAT - current year	(42,269,019)	(37,458,637)
Amounts claimed - Input VAT - current year	47,754,452	35,679,803
Amount paid - current year	2,477,173	7,986,829
Amount paid - previous year	(6,207,995)	1,405,076
<b>Closing balance</b>	<b>7,962,606</b>	<b>6,207,995</b>
Vat in suspense due to cash basis of accounting		
Input VAT	9,417,804	5,433,574
Output VAT	(4,453,269)	1,131,647
Receivable	4,964,535	6,565,221

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

42.4 <u>PAYE, SDL and UIF - [MFMA 125 (1)(c)]</u>	2017 R	2016 R
Opening balance	*	*
Current year payroll deductions and Council Contributions	17,645,541	14,972,701
Amount paid - current year	(17,645,541)	(14,972,701)
<b>Balance unpaid (Included in Payables from exchange transactions)</b>	<b>-</b>	<b>*</b>

42.5 <u>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</u>		
Opening balance	*	*
Current year payroll deductions and Council Contributions	31,618,501	28,799,248
Amount paid - current year	(31,618,501)	(28,799,248)
<b>Balance unpaid (Included in Payables from exchange transactions)</b>	<b>-</b>	<b>*</b>

42.6 <u>Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</u>		
No Councillors had arrear accounts for more than 90 days as at 30 June 2017:		
	<b>Outstanding more than 90 days</b>	
Schuurman	4,029	
Lottering	7,820	
Laban	26,855	
Mgoboza	8,278	
Phungula	24,235	
<b>Total Councillor Arrear Consumer Accounts</b>	<b>71,217</b>	<b>-</b>

During the year no Councillors had arrear accounts outstanding for more than 90 days.

### Highest Amount Outstanding

Schuurman	5,386	
Lottering	16,228	
Laban	26,855	
Mgoboza	11,753	
Phungula	24,235	
	<b>84,455</b>	<b>-</b>

Councillor Lotterings account was under dispute and therefore went over the 90 day threshold. The necessary corrections and payments were affected after year end.

## 42.7 Discloser in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

### Regulation 36 (2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36 (1) (a)

		<u>Type of deviation</u>			
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	735,648	7	-	5	2
August	2,010,252	13	-	8	7
September	417,294	13	-	9	7
October	708,942	7	-	10	5
November	1,415,607	6	-	16	3
December	314,869	8	-	5	4
January	686,860	5	-	8	3
February	1,034,138	8	-	5	4
March	607,500	11	-	14	10
April	387,450	10	-	7	3
May	710,745	3	-	9	7
June	691,099	2	-	11	9
	<b>9,720,404</b>	<b>93</b>	<b>-</b>	<b>107</b>	<b>64</b>



**WITZENBERG MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**2017  
R**

**Regulation 45 - Details of awards made to close family members of persons in service of State**

Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of transactions
Williams Loodgieters	SR Williams	Husband	R Williams	Dept. of Health: Nurse	R 171,362
Creative Minds	Johan Jordaan	Husband	WA Jordaan	Department of Education: Occupational therapist	R 2,136
Ivan A Pharo	I Pharo	Husband	D Pharo	WCED: Teacher, Bella Vista Sekonder	R 4,900
Godden's	TT Godden	Son	TD Godden	Witzenberg Municipality - Speaker	R 3,600
	CV Godden	Brother			
SEW Plumbing	SE Williams	Wife	L Williams	Dept. of Health: Admin Officer	R 10,000
		Mother	R Williams	Dept. of Health: Nurse	
Regan Brown Attorneys	R Brown	Brother	E Johnson	City of Cape Town: Traffic Dept	R 204,120
		Brother	D Johnson	SAPS: Worcester	
O'neil & Visser Attorneys	CW O'neil	Husband	H O'Neill	DOJ: Worcester	R 363,051
Vox Elektries	F Blom	Husband	M Blom	SAPS: Officer	R 97,605
Maverick Trading 1088 (Pty) Ltd	Vuyokazi Machimana	Mother	B Skonsana	Gauteng Department of Health: Nurse	R 199,994
Powerrec (Pty) Ltd	Vuyokazi Machimana	Mother	B Skonsana	Gauteng Department of Health: Nurse	R 4,865,750
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	R 33,250
Freddie Opperman	Freddie Opperman	Wife	J Opperman	WCED: Teacher	R 23,270
SJ Peres	SJ Peres	Brother IDP	S Peres	Witzenberg Municipality: Accountant Expenditure	R 14,300
P Swarts	P Swarts	Husband	L Swarts	Pharmacist: Ceres Provincial Hospital	R 1,900
CJ Services	C Hofmeester	Cousin	F Hofmeester	Witzenberg Municipality: SCM Practitioner	R 1,845
AON (Pty) Ltd	N Mangyanga	Mother	Gladys Thivhafuni Ravele	Department of Education	R 1,268,904
		Father	George Takalani Ravele	Department of Transport	
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	R 1,680
AJ Rankin Basson Sport BK	J Wessels	Spouse	MJL Wessels	Witzenberg Municipality Social Worker	R 310
JMIL Dienste	Johannes Louwrens	Brother	Ci Croudace	Msunduzi Municipality - Admin officer	R 711,360



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

43

### COMMITMENTS

2017  
R

2016  
R

#### Commitments in respect of expenditure:

##### Approved and contracted for

Infrastructure  
Community  
Other Capital  
Operational

41,981,817

44,079,157

12,973,889

12,144,820

19,960

587,631

107,660

4,687,590

28,880,308

26,659,116

##### Total

41,981,817

44,079,157

44

### FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

#### (a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

#### (b) Price risk

The municipality is not exposed to price risk.

#### (c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

0.5% Increase in interest rates

325,518

382,371

0.5% Decrease in interest rates

(325,518)

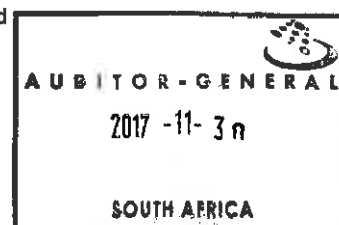
(382,371)

#### (d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss. Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 3 and 4 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 3 for balances included in receivables that were re-negotiated for the period under review.



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### FINANCIAL RISK MANAGEMENT CONTINUED

#### Balances past due not impaired:

			2017 R	2016 R
	2017 %	2017 R	2016 %	2016 R
<u>Long Term Receivables</u>				
Rates & other	0.00%	-	0.00%	-
<u>Non-Exchange Receivables</u>				
Rates & other charges	0.00%	-	0.00%	-
<u>Exchange Receivables</u>				
Electricity	79.64%	32,872,978	80.60%	31,960,554
Water	11.40%	7,706,292	14.30%	8,246,168
Housing Rentals	4.38%	64,999	5.01%	61,901
Refuse	9.02%	3,143,442	10.33%	2,970,103
Sewerage	9.38%	2,747,708	11.48%	2,710,023
Other	43.71%	1,111,757	30.32%	589,391
Land Sales	100.00%	1,190,005	100.00%	3,356,771
	27.40%	48,837,181	31.94%	49,894,911

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 3 and 4 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2017 %	2017 R	2016 %	2016 R
<u>Long Term Receivables</u>				
Rates & Other	0.00%	-	0.00%	-
<u>Non-Exchange Receivables</u>				
Rates & other	0.00%	-	0.00%	-
<u>Exchange Receivables</u>				
Electricity	6.50%	8,405,164	7.24%	7,692,497
Water	46.29%	59,894,004	46.47%	49,402,407
Housing Rentals	1.10%	1,418,431	1.10%	1,173,789
Refuse	24.50%	31,693,823	24.26%	25,788,269
Sewerage	20.51%	26,542,618	19.66%	20,904,562
Other	1.11%	1,431,719	1.27%	1,354,648
	100.00%	129,385,759	100%	106,316,172

The provision for bad debts could be allocated between the different categories of debtors as follows:

	2017 %	2017 R	2016 %	2016 R
Residential	89.94%	116,368,474	89.14%	94,771,156
Commercial	4.40%	5,694,503	6.01%	6,387,057
Government	0.99%	1,283,183	1.02%	1,083,997
Other	4.67%	6,039,599	3.83%	4,073,962
	100.00%	129,385,759	100.00%	106,316,172





# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### FINANCIAL RISK MANAGEMENT CONTINUED

	2017 %	2017 R	2016 %	2016 R
<b>Bad debts written off per debtor class:</b>				
<u>Long Term Receivables</u>				
Rates & other	0.00%		0.57%	240,634
<u>Non-Exchange Receivables</u>				
Rates	0.00%		0.00%	
<u>Exchange Receivables</u>				
Electricity	23.32%	3,293	25.79%	10,972,641
Water	38.19%	5,393	37.50%	15,952,293
Housing Rentals	0.84%	118	0.80%	341,935
Refuse	19.68%	2,779	18.71%	7,957,907
Sewerage	16.55%	2,337	15.36%	6,534,538
Other	1.44%	203	1.26%	537,947
	100.00%	14,123	99.43%	42,297,260

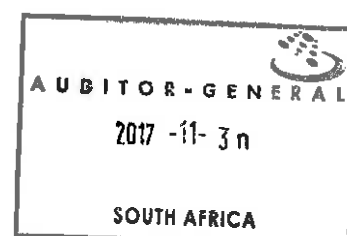
The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

### Financial assets exposed to credit risk at year end are as follows:

	2017 R	2016 R
Long term receivables		7,495
Receivables from exchange transactions	48,837,181	49,894,912
Cash and Cash Equivalents	76,324,212	97,031,303
Unpaid conditional grants and subsidies	2,262,670	12,375
	127,424,063	146,946,085



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### FINANCIAL RISK MANAGEMENT CONTINUED

#### (e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2017</b>				
Long Term liabilities	4,756,563	7,883,684	1,091,920	-
Capital repayments	3,717,251	6,541,394	1,040,360	-
Interest	1,039,312	1,342,290	51,560	-
Trade and Other Payables	38,984,533	-	-	-
Unspent conditional government grants and receipts	3,690,206	-	-	-
	<u>47,431,302</u>	<u>7,883,684</u>	<u>1,091,920</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2016</b>				
Long Term liabilities	12,185,646	11,417,974	2,091,424	-
Capital repayments	10,092,926	9,218,805	1,932,984	-
Interest	2,092,720	2,199,169	158,439	-
Trade and Other Payables	51,141,560	-	-	-
Unspent conditional government grants and receipts	10,347,213	-	-	-
	<u>73,674,419</u>	<u>11,417,974</u>	<u>2,091,424</u>	<u>-</u>

# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

45

### FINANCIAL INSTRUMENTS

2017  
R

2016  
R

In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows:

The fair value of financial instruments approximates the amortised costs as reflected below.

#### 45.1 Financial Assets

#### Classification

##### Investments

Fixed Deposits

Financial instruments at amortised cost

##### Long-term Receivables

Officials Housing Loans

Financial instruments at amortised cost

Rates (Re-negotiated terms)

Financial instruments at amortised cost

Councillor Allowances

Financial instruments at amortised cost

##### Receivables

Receivables from exchange transactions

Financial instruments at amortised cost

48,837,181

49,894,911

Receivables from non-exchange transactions

Financial instruments at amortised cost

##### Other Receivables

Government Subsidies and Grants

Financial instruments at amortised cost

2,262,670

12,375

##### Current Portion of Long-term Receivables

Officials Housing Loans

Financial instruments at amortised cost

167

Sport Club Loans

Financial instruments at amortised cost

7,328

##### Bank Balances

Bank Balances

Financial instruments at amortised cost

76,324,212

97,031,303

127,424,063

146,946,084

#### SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost

127,424,063

146,946,084

At amortised cost

127,424,063

146,946,084

#### 45.2 Financial Liability

#### Classification

2017  
R

2016  
R

##### Long-term Liabilities

Annuity Loans

Financial instruments at amortised cost

7,345,204

10,516,600

Capitalised Lease Liability

Financial instruments at amortised cost

236,551

641,769

##### Payables from exchange transactions

Trade creditors

Financial instruments at amortised cost

33,421,820

43,245,560

Retentions

Financial instruments at amortised cost

3,210,552

5,871,317

Deposits

Financial instruments at amortised cost

1,729,271

1,443,497

Other

Financial instruments at amortised cost

622,890

581,186

##### Other Payables

Government Subsidies and Grants

Financial instruments at amortised cost

3,690,206

10,347,213

##### Current Portion of Long-term Liabilities

Annuity Loans

Financial instruments at amortised cost

3,293,689

9,725,207

Capitalised Lease Liability

Financial instruments at amortised cost

423,562

367,719

53,973,745

82,740,068

#### SUMMARY OF FINANCIAL LIABILITY

Financial instruments at amortised cost

53,973,745

82,740,068



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

<b>46</b>	<b>IN-KIND DONATIONS AND ASSISTANCE</b>	<b>2017 R</b>	<b>2016 R</b>
	Land and Buildings donated by rural Development	<u>40,999,102</u>	-
<b>47</b>	<b>PRIVATE PUBLIC PARTNERSHIPS</b>		
	Council has not entered into any private public partnerships during the financial year.		
<b>48</b>	<b>CONTINGENT LIABILITY</b>		
	Claims against Council	<u>3,013,366</u>	<u>3,398,459</u>
	Estimate legal Fees	<u>110,000</u>	<u>510,000</u>

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. Management are respectfully of opinion that this matter will be successfully defended. The Municipality is defending all the claims. The amounts indicated is Management's estimated financial exposure. The following are narratives of the cases:

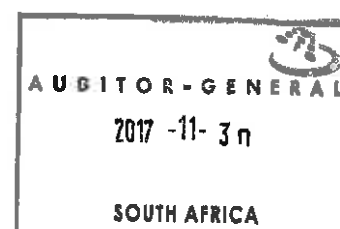
F Daniels / SALGBC & two others	The applicant was the former Manager of Traffic. He was dismissed after an internal disciplinary hearing on 21/09/2009, where after he unsuccessfully appealed internally against the sanction of dismissal. Management is of opinion that the risk of the municipality being ordered to pay Mr Daniel's legal fees is slim.	1,000,000	1,000,000
L Louw	A child was assaulted at the Pine Forest. The claimant alleged that the security measures at the Pine Forest were not sufficient to protect the child. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	1,427,600	1,427,600
F Viljoen	On 23 July 2011 at approximately 00h30 and along Retief Street, Ceres, the Plaintiff sustained serious injuries after colliding with a heap of gravel which the claimant alleged had been placed in the middle of the street by persons in the employment of the Municipality. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.		251,672
Telemasters	Witzenberg municipality cancelled the contract with Telemasters according to the stipulations of the contract. Telemasters alleges that the contract was not cancelled and sued the municipality for breach of contract. The chance that any amount might be payable by the municipality is remote.		133,421
Gunter	Plaintiff claims damages from the municipality after she fell on the sidewalk. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	585,766	585,766
		<u>3,013,366</u>	<u>3,398,459</u>



# WITZENBERG MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

49	RELATED PARTIES	2017 R	2016 R
	Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.		
	The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.		
<b>49.1</b>	<b>Related Party Loans</b>		
	Since 1 July 2004 loans to councillors and senior management employees are not permitted.		
<b>49.2</b>	<b>Compensation of key management personnel</b>		
	The compensation of key management personnel is set out in Note 27 to the Annual Financial Statements.		
<b>49.3</b>	<b>Other related party transactions</b>		
	No purchases were made during the year where Councillors or staff have an interest.		
<b>49.4</b>	<b>Ceres Koekedouw Management Committee</b>		
	Ceres Koekedouw Management Committee is an entity established by the Witzenberg Municipality and the Koekedouw Irrigation Board. Ceres Koekedouw Management Committee is responsible for the management of the Koekedouw Dam, jointly owned by Witzenberg Municipality and the Koekedouw Irrigation Board.		
	The following contributions included with General Expenses were paid to the Ceres Koekedouw Management Committee	538,040	1,217,737

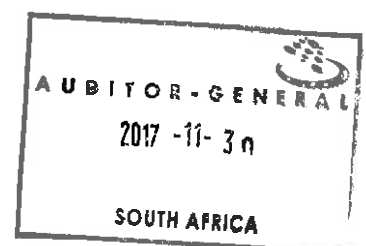


**APPENDIX A - Unaudited**  
**WITZENBERG MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2017**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2016	Received during the period	Redeemed / written off during the period	Balance at 30 JUNE 2017
<b>ANNUITY LOANS</b>							
ABSA	10.21%	90-9200-8204	30-12-15	-			0
ABSA	10.21%	20-9200-9990	30-12-15	-			0
ABSA	10.21%	0-9205-8859	30-12-15	-			0
NED BANK	8.00%	5032156 0001	30-05-15	-			0
NED BANK	8.00%	5032113 0001	30-05-18	448,570		214,050	234,520
NED BANK	8.00%	5032032 0001	30-05-23	6,763,522		737,751	6,025,771
CERES GOLF CLUB	18.00%	49	30-06-18	-			0
DBSA	12.00%	10478/102	30-09-17	337,009		337,009	0
DBSA	12.00%	10525/104	31-03-17	6,454,680		6,454,680	0
DBSA	15.25%	11188/101	30-09-18	3,688,164		1,315,810	2,372,354
DBSA	15.50%	10772/101	30-09-18	838,260		298,500	539,760
DBSA	9.50%	102040/1	30-09-21	185,592		27,110	158,482
DBSA	10.75%	13161/101	31-12-14	-		-	0
DBSA	15.25%	13164/101	31-12-14	-		-	0
DBSA	8.59%	100605/1	30-06-23	1,526,009		218,001	1,308,008
<b>Total Annuity Loans</b>				<b>20,241,807</b>	<b>-</b>	<b>9,602,911</b>	<b>10,638,896</b>
<b>LEASE LIABILITY</b>							
Office Equipment		Various	2012/02/29	1,009,488	26,370	375,748	660,110
<b>Total Lease Liabilities</b>				<b>1,009,488</b>	<b>26,370</b>	<b>375,748</b>	<b>660,110</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>21,251,295</b>	<b>26,370</b>	<b>9,978,659</b>	<b>11,299,006</b>

**APPENDIX B - Unaudited**  
**WITZENBERG MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017**  
**MUNICIPAL VOTES CLASSIFICATION**

2016 Actual Income R	2016 Actual Expenditure R	2016 Surplus/ (Deficit) R		2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R
69,849,744	(32,305,839)	37,543,905	Budget & Treasury Office	79,235,166	(31,905,693)	47,329,473
136,073,810	(108,191,967)	27,881,843	Civil Services	149,471,955	(107,163,874)	42,308,080
66,763,386	(23,028,655)	43,734,731	Community & Social Services	71,927,986	(26,784,842)	45,143,144
5,625,927	(28,071,233)	(22,445,305)	Corporate Services	15,120,238	(33,020,724)	(17,900,486)
202,548,876	(182,240,690)	20,308,186	Electro Technical Services	221,652,885	(202,335,111)	19,317,774
5,011,492	(24,833,139)	(19,821,648)	Executive & Council	202,124	(22,960,156)	(22,758,032)
836,596	(2,906,534)	(2,069,938)	Housing	24,610,710	(27,456,019)	(2,845,308)
980,307	(6,592,167)	(5,611,860)	Planning	1,309,115	(7,539,676)	(6,230,560)
12,897,601	(21,284,659)	(8,387,058)	Public Safety	23,670,992	(33,224,895)	(9,553,903)
14,944,879	(20,675,623)	(5,730,743)	Sport & Recreation	22,976,093	(20,470,545)	2,505,547
515,532,618	(450,130,505)	65,402,113	<b>Total</b>	610,177,263	(512,861,536)	97,315,727



**APPENDIX C - Unaudited  
WITZENBERG MUNICIPALITY  
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017  
GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2016 Actual Income R	2016 Actual Expenditure R	2016 Surplus/ (Deficit) R		2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R
5,011,492	(26,598,802)	(21,587,311)	Executive and Council	202,124	(25,405,001)	(25,202,877)
69,849,744	(30,779,873)	39,069,871	Budget and Treasury Office	79,235,166	(30,093,651)	49,141,515
5,625,927	(30,349,796)	(24,723,868)	Corporate Services	15,120,238	(35,365,420)	(20,245,183)
980,307	(8,889,395)	(7,909,088)	Planning and Development	1,309,115	(9,541,315)	(8,232,199)
65,777,189	(18,233,215)	47,543,973	Community and Social Services	71,561,425	(21,175,516)	50,385,910
836,596	(2,906,534)	(2,069,938)	Housing	24,610,710	(27,456,019)	(2,845,308)
8,548,322	(18,302,328)	(9,754,007)	Public Safety	19,228,513	(30,101,679)	(10,873,166)
14,944,879	(20,675,623)	(5,730,743)	Sport and Recreation	22,976,093	(20,470,545)	2,505,547
986,197	(1,062,571)	(76,374)	Environmental Protection	366,561	(1,673,555)	(1,306,995)
23,218,849	(38,478,357)	(15,259,508)	Waste Management	21,868,904	(39,483,754)	(17,614,850)
49,455,678	(26,555,822)	22,899,857	Waste Water Management	30,417,096	(29,803,509)	613,587
14,253,291	(24,617,791)	(10,364,500)	Road Transport	60,771,226	(20,163,643)	40,607,583
53,495,271	(21,522,329)	31,972,942	Water	40,582,181	(19,636,166)	20,946,015
202,548,876	(181,158,070)	21,390,806	Electricity	221,652,885	(200,538,877)	21,114,007
-	-	-	Other	-	-	-
515,532,618	(450,130,505)	65,402,113	<b>Total</b>	609,902,237	(510,908,651)	98,993,587





**APPENDIX D - Unaudited  
WITZENBERG MUNICIPALITY**

**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2016	Grants Received	Grants Capital Received	Write Offs / Transfers	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2017	Unspent 2017 (Payable)	Unpaid 2017 (Receivable)
<b>National Government Grants</b>									
Finance Management Grant	-	1,475,000	-	-	(1,337,660)	(398,655)	(261,315)	-	261,315
Municipal Systems Improvement Grant	(0)	-	-	-	-	-	(0)	-	0
Municipal Infrastructure Grant	3,399,040	21,389,000	21,389,000	-	(237,600)	(24,640,860)	(90,419)	-	90,419
Regional Bulk Infrastructure Grant (DWAF)	-	-	-	-	-	(114,347)	(114,347)	-	114,347
Integrated National Electricity Program	507,548	5,000,000	5,000,000	(409,000)	(59,734,000)	(5,900,006)	(801,458)	-	801,458
Equitable share	-	59,325,000	-	409,000	-	-	(0)	-	0
Department of Rural Development	471,155	-	-	-	-	-	471,155	471,155	-
Expanded Public Works Programme	(12,375)	1,336,000	-	-	(1,337,669)	-	(14,044)	-	14,044
Neighbourhood Development Plan	321	-	-	-	-	-	321	321	-
<b>Provincial Government Grants</b>									
Library services	1,416,673	2,477,000	-	-	(3,266,144)	(627,529)	-	-	-
Library services Replacement Funding	(0)	5,498,000	-	-	(5,498,000)	(143)	(143)	-	143
CDW	337,816	150,000	-	-	(70,535)	-	417,281	417,281	-
Main roads	-	120,000	-	-	(136,800)	-	(16,800)	-	16,800
Municipal Infrastructure Support Grant	594,594	-	-	-	-	(1,352,612)	(758,017)	-	758,017
Drought Relief	609,656	396,833	396,833	-	(42,840)	(963,649)	566,634	566,634	-
Housing	1,478,410	31,706,989	22,359,310	-	(24,284,670)	(8,354,094)	60,000	60,000	-
Internship (PT)	-	60,000	-	-	-	-	322,000	322,000	-
Multipurpose Centre	222,000	100,000	-	-	-	-	120,000	120,000	-
Capacity Building (PT)	-	120,000	-	-	-	-	(206,126)	-	206,126
Dept of Local Government	-	1,603,167	1,603,167	-	-	(1,808,293)	1,432,815	1,432,815	-
Financial Management Training	1,310,000	220,000	-	-	(97,185)	-	-	-	-
<b>District Municipality</b>									
Parks and recreation	-	300,000	300,000	-	-	-	300,000	300,000	-
<b>Total</b>	<b>10,334,838</b>	<b>131,276,989</b>	<b>51,048,310</b>	<b>-</b>	<b>(96,023,103)</b>	<b>(44,161,187)</b>	<b>1,427,536</b>	<b>3,690,206</b>	<b>2,282,670</b>





# ANNUAL REPORT

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## ANNEXURE B: REPORT OF THE AUDITOR-GENERAL

# Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Witzenberg Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Witzenberg Municipality set out on pages 1 to 61, which comprise the statement of financial position as at 30 June 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Witzenberg Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (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' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA 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 36 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during 2016-17 in the financial statements of the municipality at. and for the year ended, 30 June 2016.

## **Material impairments**

8. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R129,4 million (2015-16: R106,3 million).
9. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R54,4 million (2015-16: R38,9 million).

## **Other matters**

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

## **Unaudited supplementary schedules**

11. The supplementary information set out on pages 62 to 65 of the financial statements does not form part of the financial statements and is presented as additional information. I have not audited this information and, accordingly, I do not express an opinion thereon.

## **Unaudited disclosure notes**

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

## **Responsibilities of the accounting officer**

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

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

15. 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## Report on the audit of the annual performance report

### Introduction and scope

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic focus areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. 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 strategic focus area presented in the annual performance report of the municipality for the year ended 30 June 2017:

Strategic focus area	Pages in the annual performance report
Essential services	10 – 11

20. 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.
21. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic focus area:
- Essential services

## **Other matter**

22. I draw attention to the matter below.

### **Achievement of planned targets**

23. Refer to the annual performance report on pages 10 to 13 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

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

### **Introduction and scope**

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

## **Other information**

26. 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 thereon and those selected strategic focus areas presented in the annual performance report that have been specifically reported on in the auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
28. 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 strategic focus areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that it contains a material misstatement, 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. If it is corrected, however, this will not be necessary.

## Internal control deficiencies

30. 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 thereon. I did not identify any significant deficiencies in internal control.

*Auditor – Gensel*

Cape Town

30 November 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## **Annexure – Auditor-general's responsibility for the audit**

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

### **Financial statements**

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

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

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

# ANNUAL REPORT

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## ANNEXURE C: REPORT OF THE PERFORMANCE, RISK AND AUDIT COMMITTEE

# Report of the Performance Risk and Audit Committee

We are pleased to present our Report for Witzenberg Municipality for the financial year ended 30 June 2017.

## 1. Performance, Risk and Audit Committee Members and attendance

The Performance, Risk and Audit Committee (PRAC) consisted of five independent members during 2016/2017. All members of the Performance, Risk and Audit Committee have the required expertise and experience in business, financial matters, information technology and performance management. The Committee met four times during the year to 30 June 2017 and conducted two additional workshops. The Committee performed their duties in accordance with the MFMA, MSA and the PRAC Charter. During the current year Mr J George and Mr F Redelinghuys were appointed.

Name of representative	Capacity	Meeting dates
Mr J. George	Chairperson	17 January 2017 3 March 2017 5 May 2017 9 June 2017* 30 June 2017
Mr A Amod	Member	17 January 2017 3 March 2017 30 June 2017
Mr T. Lesihla	Member	26 August 2016* 17 January 2017 3 March 2017 9 June 2017* 30 June 2017
Mr J. Basson	Member	26 August 2016* 17 January 2017 3 March 2017 9 June 2017* 5 May 2017
Mr F Redelinghuys	Member	17 January 2017

Name of representative	Capacity	Meeting dates
		3 March 2017 5 May 2017 9 June 2017* 30 June 2017

\* Workshops relating to governance matters and preparation of Annual Financial Statements

Other invitees by the Audit Committee during the year under review include the Municipal Manager, Chief Finance Officer, Director Corporate Services, the Auditor-General of South Africa (AGSA), Internal Auditors, Manager Financial Administration: Finance, Manager Performance Management and a representation of Provincial Treasury.

The PRAC members participated in discussions with the AGSA in reviewing the 2016/2017 audit strategy.

Further discussions were held with the AGSA, Municipal Manager, Internal Auditors and other officials to gain further understanding of the issues and challenges facing the municipality.

## 2. PRAC Responsibility

The PRAC reports that it has complied with its responsibilities according to the MFMA, MSA and the PRAC Charter as far as reasonably possible.

The PRAC further reports that it has reviewed and re-affirmed the PRAC Charter during the year and has regulated its affairs in compliance with this charter.

## 3. Internal audit

The PRAC reviewed its three year risk based audit plan adopted in 2016 as required by legislation. The PRAC reviewed the actual internal audit work that was conducted by the Internal Audit Unit in relation to the one year internal audit plan for 2016/2017.

The PRAC is satisfied that the internal audit function operated effectively and that it has addressed the risks pertinent to the municipality. To this extent the PRAC expresses their appreciation to the Internal Auditors for the work done.

## 4. Internal control

Internal control is the system of controls and directives that are designed to provide cost effective assurance that assets are safeguarded, that liabilities and working capital are efficiently managed and that the municipality fulfils its mandate, in compliance with all relevant statutory and governance duties and requirements.

The PRAC reviewed and advised Council on the following:

- Internal audit reports
- AGSA's audit report
- Annual Financial Statements
- Annual Performance Report
- Section 71 reports
- Section 72 reports
- Section 52(d) reports

## **5. Enterprise Risk Management (ERM)**

The PRAC has reviewed the completeness of the enterprise risk assessment process implemented by management and the alignment thereof to the risk-based audit plan. The PRAC has also reviewed the risk appetite, risk profile and action plans implemented by management to mitigate high risks.

Management is advised on a regular basis towards improvement of enterprise risk management.

## **6. Performance Management**

The PRAC reviewed the quarterly Service Delivery and Budget Implementation Plan and the Performance Management System.

The PRAC has also taken cognisance of the AGSA outcomes as per the Annual Performance Report.

## **7. Evaluation of Financial Statements**

The PRAC has:

- Reviewed and discussed the audited annual financial statements to be included in the Annual Report with the AGSA, the Municipal Manager, the Chief Financial Officer and other officials of the municipality.
- Reviewed changes in accounting policies and practices as applicable.

The PRAC accordingly concurs with and supports the AGSA conclusion on the annual financial statements, and recommended to Council that the audited annual financial statements be accepted.

## **8. Areas of Concern**

Although steps were taken by management to improve the control environment, PRAC is still concerned about the following;

- The collection of long outstanding debt remains a concern and has a serious negative impact on the cash flow and sustainability of the municipality;



- Water losses
- The process of traffic fine collections
- The effective usage of the Performance Management System to ensure the reliability of information.

## **9. Conclusion**

The PRAC congratulates the municipality on achieving an Unqualified Audit Report (Clean Audit) for the fifth consecutive year.

The PRAC expresses its appreciation for the cooperation of Senior Management and all the officials who have engaged with them during the year.

The PRAC expresses its appreciation to Internal Audit for the work performed and assisting PRAC in fulfilling its responsibilities.

The PRAC expresses its appreciation for the cooperation of the AGSA who we have engaged with during the year.



**Chairperson**

**Performance Risk and Audit Committee**



# **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

## **OVERSIGHT REPORT - 2016/2017**

**January 2018**

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16 January 2018

Witzenberg Municipal Council  
Voortrekker Street  
Ceres  
6385

## **1. Purpose**

The purpose of this communication is to report to Council the result on the Witzenberg Municipal Public Accounts Committee (MPAC) oversight review of the Witzenberg Annual Report for 2016/2017 and to enable Council to discharge its oversight responsibility in considering the Witzenberg Municipality's Annual report for 2016/2017 in terms of Section 129 of the Municipal Finance Management Act, no 56 of 2003 (MFMA).

## **2. Legal requirements**

In terms of Section 129 of the MFMA, the Council must adopt an Oversight Report containing the Council's comments on the annual report which must include a statement whether the Council –

- (a) has approved the annual report with or without reservations;
- (b) has rejected the annual report; or
- (c) has referred the annual report back for revision of those components that can be revised.

In terms of the MFMA Circular Number 32, in order to approve the Annual Report without reservations, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality in the financial year reported upon.

Approval means that the executive and administration have discharged in full, their accountability for the decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable in the community.

### **3. Adoption**

The statutory authority to adopt an oversight report in respect of the Annual Report 2016/2017 rest with the Municipal Council.

### **4. MPAC mandate**

MFMA Circular Number 32 recommends the establishment of an MPAC for the detailed analysis and review of the annual report, following its tabling in Council, receiving and reviewing representations made by the public, inputs from other councillors and stakeholders and then drafting an oversight report that may be taken to the full Council for discussion and approval.

MPAC is required to perform the responsibilities as envisaged in the MFMA Circular Number 32 and Section 129 of the MFMA.

### **5. Consideration of annual report and comments received**

MPAC has considered the following reports and comments:

- Draft Witzenberg Annual Report 2016/2017
- 2016/2017 Audit Report of the Auditor General South Africa, and
- The 2016/2017 Performance, Risk and Audit Committee Report

### **6. MPAC resolution on Annual Report**

Members of MPAC unanimously agreed to recommend that Council approve the Annual Report without any reservations.

Members of MPAC unanimously agreed to recommend to Council to consider the recommendations as per paragraph 7.

## **7. Corrective measures for Council consideration**

It is recommended that Council:

- establish a task team consisting of each political party to compile and submit a report on the debt impairment issues emphasised by the AGSA;
- includes 14/15 financial year comparative information and detailed breakdown of MIG and housing projects for the last 3 years in the annual report;
- consider the expansion of the ICT Department to ensure an effective and efficient support of IT services within the municipality;
- review its infrastructure back log to assess relevance with emphasis on Tulbagh roads and Council assets such as Pine Forrest, Elland and Klipriver park, and
- that the Capital Plan be reviewed during the IDP review process to ensure that back logs are addressed.

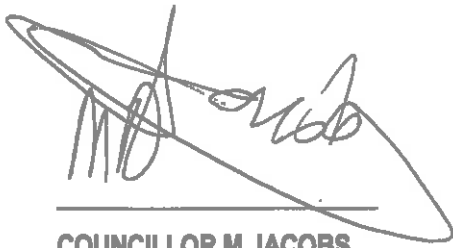
To note the following concerns of the Performance, Risk and Audit Committee inter alia:

- The collection of long outstanding debt remains a concern and has a serious negative impact on the cash flow and sustainability of the municipality;
- Water losses;
- The process of traffic fine collections; and
- The effective usage of the Performance Management System to ensure reliability of information.

## **8. Recommendation**

Having fully considered the 2016/2017 Annual Report of the Witzenberg Municipality it is recommended that Council adopts the 2016/2017 Oversight Report and approves the 2016/2017 Annual Report without reservations.

Yours faithfully,



**COUNCILLOR M JACOBS**

**CHAIRPERSON: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**



**COUNCILLOR G LABAN**

**MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**



**COUNCILLOR C KOTTERING**

**MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

# *Witzenberg Municipality*



*2017/18*

*Mid-year  
Budget Statement  
and  
Performance Assessment  
for the period  
1 July to 31 December 2017*

# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

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# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

## GLOSSARY

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**Adjustments Budgets** – Prescribed in Section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**AFS** – Annual Financial Statements

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget.

**Capital Expenditure** – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

**CFO** – Chief Financial Officer / Director: Finance

**DORA** – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GDFI** - Gross Domestic Fixed Investment

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

**GRAP** – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

**IDP** – Integrated Development Plan. The main strategic planning document of a municipality.

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome.

**MFMA** – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.



# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

**MIG** – Municipal Infrastructure Grant

**MPRA** – Municipal Property Rates Act (No 6 of 2004).

**MTREF** – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

**NT** – National Treasury

**Net Assets** – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

**Operating Expenditure** – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

**Rates** – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**RBIG** – Regional Bulk Infrastructure Grant

**R&M** – Repairs and maintenance on property, plant and equipment.

**SCM** – Supply Chain Management.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

**TMA** – Total Municipal Account

**Unauthorised expenditure** – Generally, spending without, or in excess of, an approved budget.

**Virement** – A transfer of the budget.

**Virement Policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – One of the main segments into which a budget is divided, usually at department level.

**WM** – Witzenberg Municipality





# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

## **LEGAL REQUIREMENTS**

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In terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

(1) The accounting officer of a municipality must by 25 January of each year –

(a) assess the performance of the municipality during the first half of the financial year, taking into account –

- (i) the monthly statements referred to in section 71 for the first half of the financial year;
- (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to –

- (i) the mayor of the municipality
- (ii) the National Treasury; and
- (iii) the relevant Provincial Treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

(3) The accounting officer must, as part of the review –

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Thereafter, the mayor must, in terms of Section 54(1) of the act:

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) Issue any appropriate instructions to the accounting officer to ensure-
  - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and



## *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

- (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 31 January of each year.

The following regulations of the Local Government: Municipal Finance Management Act Municipal Budget and Reporting Regulations are relevant:

33. Format of a mid-year budget and performance assessment.—A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168 (1) of the Act.<sup>19</sup>
34. Publication of mid-year budget and performance assessments.—
- (1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.
  - (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including—
    - (a) summaries in alternate languages predominant in the community; and
    - (b) Information relevant to each ward in the municipality.
35. Submission of mid-year budget and performance assessments.—The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form—
- (a) the mid-year budget and performance assessment by 25 January of each year; and
  - (b) Any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.



# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

## **1. PART 1 - IN-YEAR REPORT**

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### **1.1 MAYORS REPORT**

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Speaker  
Deputy Executive Mayor  
Members of the Mayoral Committee  
Councillors  
Representatives of Provincial Government  
Municipal Manager  
Directors and officials  
Distinguished guests  
Members of the media

It is my privilege to present to you Mid-Year Budget Statement and Performance Assessment Report for the six months 1 July 2017 to 31 December 2017.

The process of value for money spending is always a challenge for capital projects. The amended capital budget amounts to R 89.0 million of which R 20.1 million was already expended as at 31 December 2017.

The main contributing factors to the low spending on the capital budget are:

- R11.7 million forecast expenditure which could not be utilised as the Department of Water affairs failed to pay over the funding. At this current moment the status of the gazetted amount is unknown, meaning that it may be possible that it will never be paid over to Witzenberg Municipality. Steps will be implemented to increase spending on capital projects.
- Vredebes Housing Project – Serviced sites budget. Originally it was indicated by the Department of Human Settlements that 500 sites will be approved for implementation and thus provision for 500 sites was made in the municipal budget. In the approval letter dated November 2017 it was indicated that only 300 sites will be budgeted for by the Department.
- Vredebes Housing Project – Serviced sites implementation. Official budget approval was only received in November 2017. The Implementing agent also indicated that the budget need to be increased due to the geotechnical conditions of the area. The planned expenditure to date was R 15 million which did not realise due to the abovementioned issues.

Credit control for various reasons remains a challenge for the municipality. I will recommend to Council to appoint a special task team to assist Council in obtaining a solution for the collection of outstanding debt.

The current drought situation is a concern as it will have a negative impact on the economic output of the region, unemployment will increase and the demand for free municipal service is expected to increase to exceed the budgeted provision.

With the exception of Tulbagh it is expected that sufficient water will be available to meet the demand of municipal consumers, on condition that the current water sources are being used sparingly.

An adjustment budget will be compiled and submitted to Council for consideration due to operational requirements and amendments to allocations to Witzenberg Municipality as per the Provincial and National Adjustment Budgets.

The municipality for the last eight years received Unqualified Audits from the Auditor General of South Africa of which five is consecutive "Clean Audits"



# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

The audit report put emphasised on the impairment of debtors and the restatement of prior year figures as per the following table.

<b>Auditor-General Report on Financial Performance 2016/17</b>	
<b>Status of the audit report:</b>	<b>Unqualified</b>
<b>Issue raised</b>	<b>Corrective step implemented</b>
<b><u>Emphasis of matter:</u></b>	
<b><u>Material impairments</u></b>	
As disclosed in notes 3 to the financial statements, the municipality has provided for the impairment of receivables from exchange transactions amounting to R129,4 million (2015-16: R106,3 million)	A report will be submitted to Council to consider the write off of irrecoverable debt.
As disclosed in note 4 to the financial statements, the municipality has provided for impairment of receivables from non-exchange transactions amounting to R54,4 million (2015-16: R38,9 million).	New service provider appointed for the collection of traffic fines
<b><u>Restatement of corresponding figures</u></b>	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during 2016-17 in the financial statements of the municipality for the year ended 30 June 2016.	None

**COUNCILLOR BC KLAASEN**

**EXECUTIVE MAYOR**



# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

## **1.2 RESOLUTION**

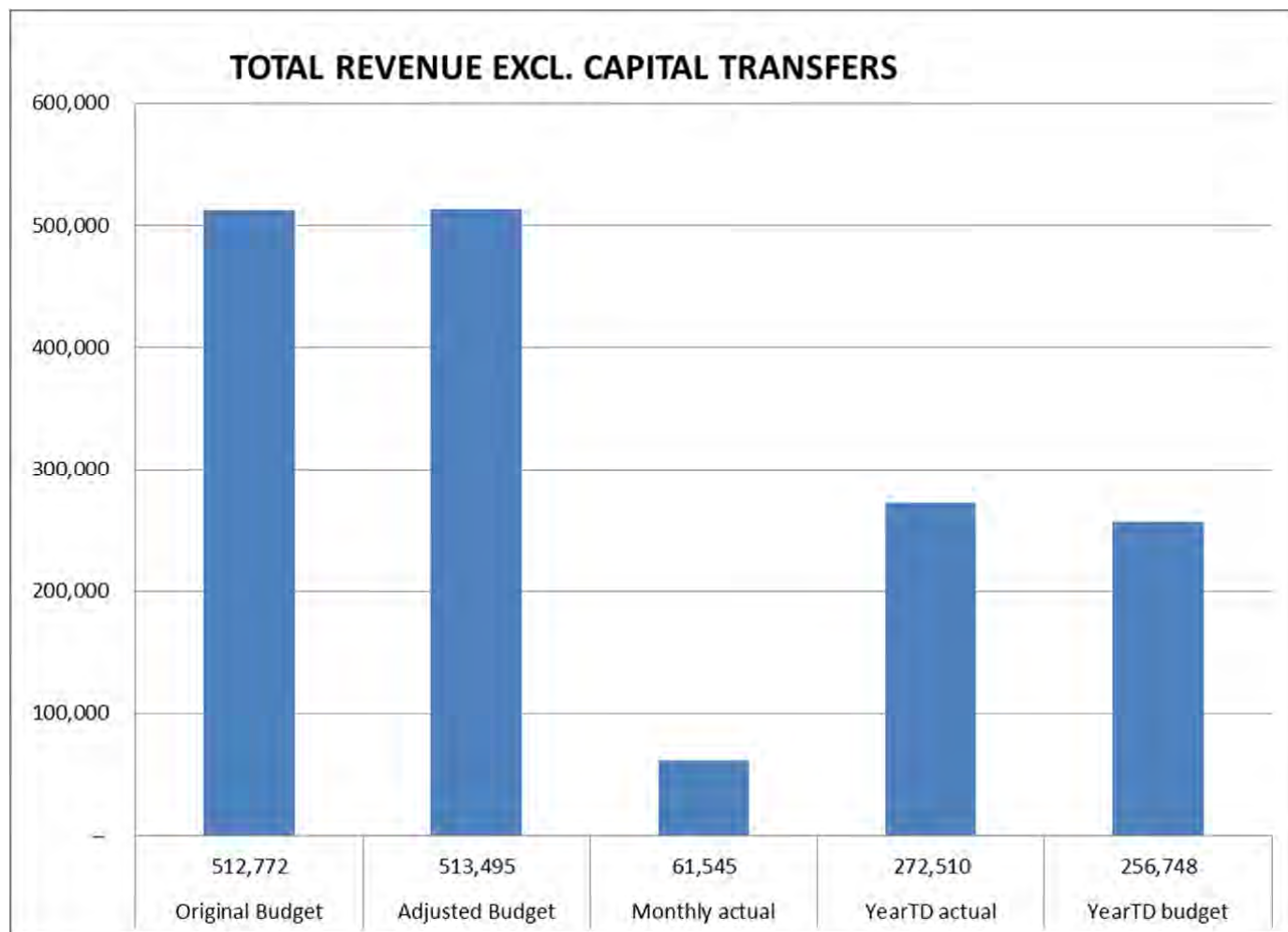
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It is recommended that council take cognisance of the mid-year budget and performance assessment for the period 1 July to 31 December 2017.



## *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

### 1.3 EXECUTIVE SUMMARY

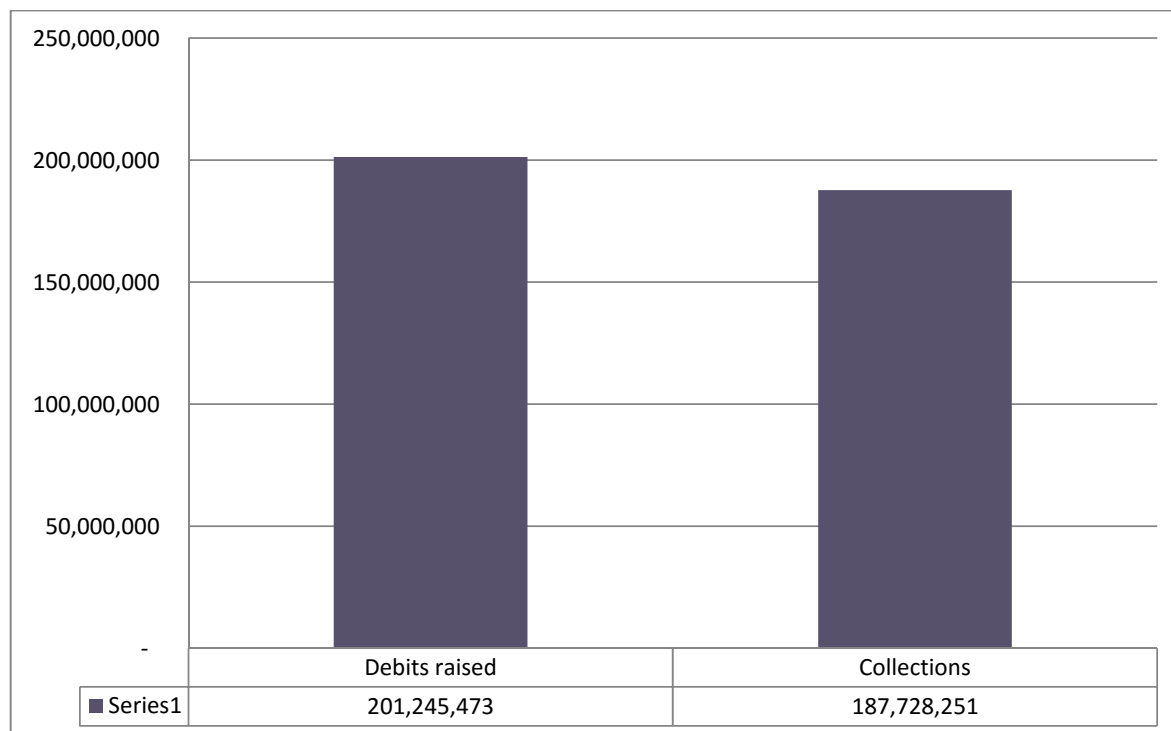


53% of the budgeted revenue excluding capital transfers was levied for the six months until 31 December 2017. The rates for the full financial year for property owners that prefer to pay their rates annually were levied during July 2017. The consumption of services such as water and electricity are expected to increase during the next months due to the agricultural season.



# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

## **Debits raised compared to collections.**



The year to date recovery rate is 93%

Some consumers used council's gesture to enable them to purchase electricity although their accounts are in arrears during the holiday season as an excuse to not pay their municipal accounts due in December. The collection rate for December was only 78%, forcing the year to date collection rate down to 93% from the 96% achieved at the end of November.

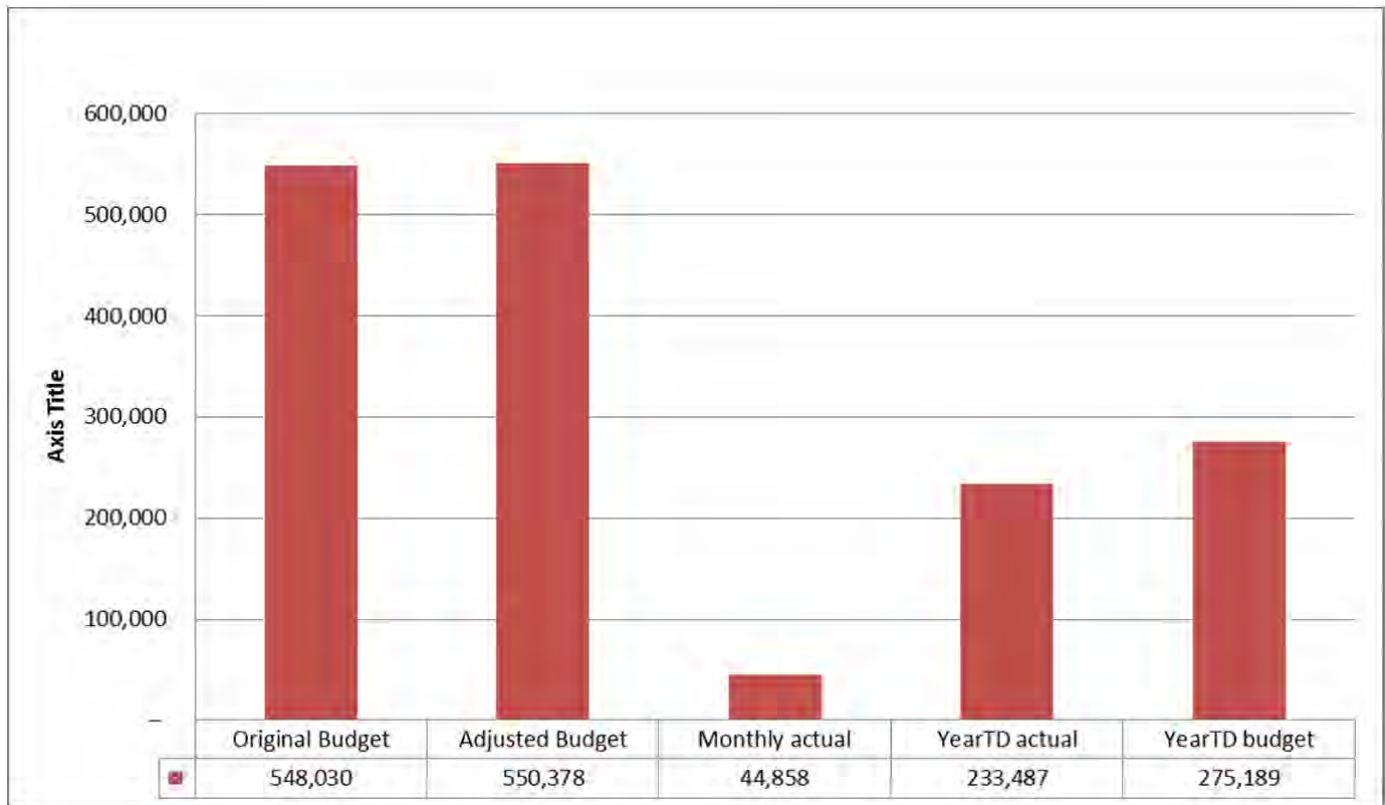
For the six months until 31 December 2016 36% of the budgeted expenditure for the financial year was incurred.

It is expected that the bulk purchases from Eskom will increase in the latter half of the financial year due to the agricultural season.



# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

## **TOTAL OPERATIONAL EXPENDITURE**



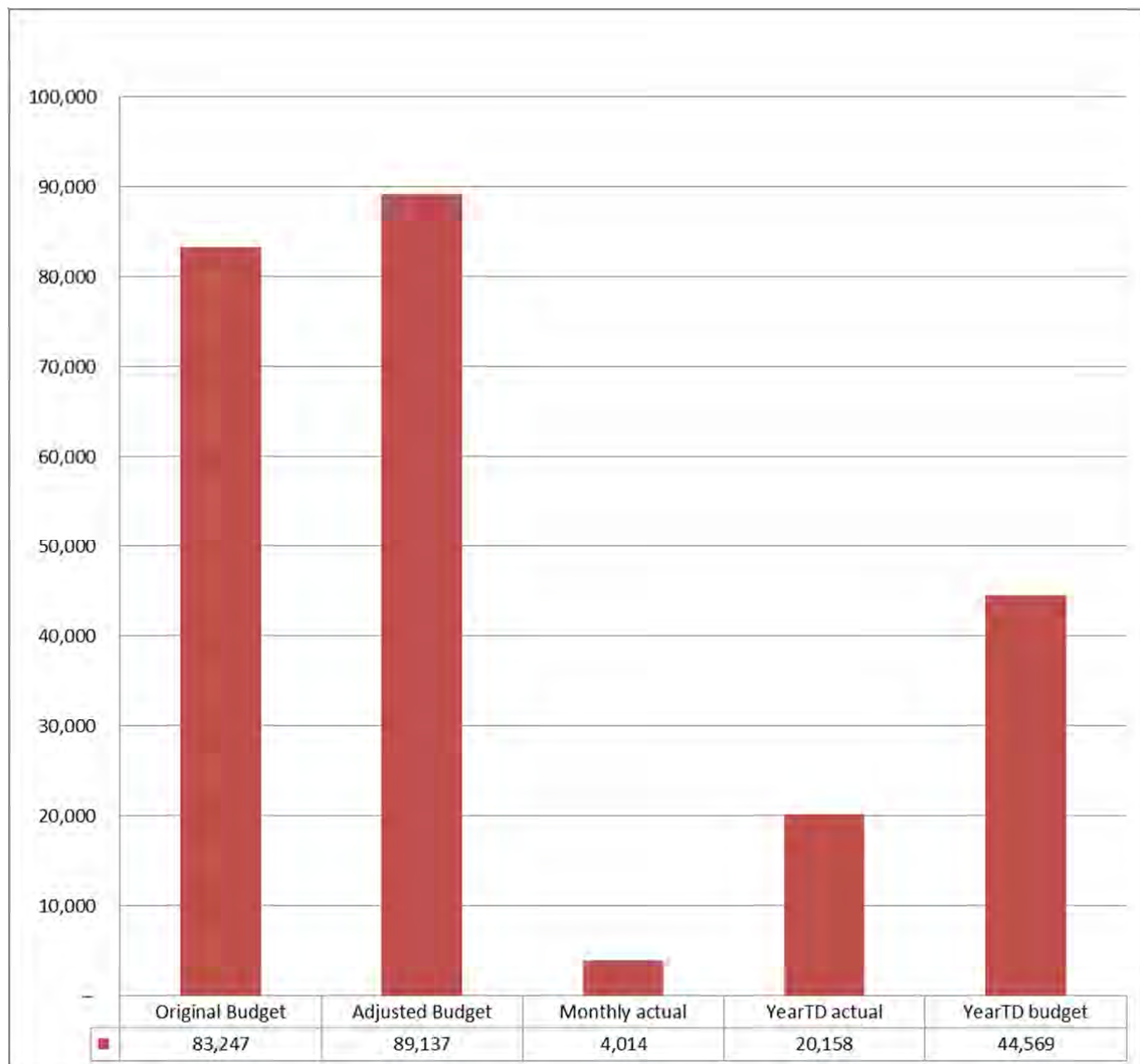
For the period 1 July 2017 to 31 December 2017, 42.42% of the budgeted operational expenditure was incurred. This figure will increase as some invoices are still outstanding.





# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

## **CAPITAL EXPENDITURE**



For the period 1 July 2017 to 31 December 2017, 22.61% of the budgeted capital expenditure was incurred.

The main contributing factors to this is the R11.7 million forecast expenditure which could not be utilised as the Department of Water affairs failed to pay over the funding. At this current moment the status of the gazetted amount is unknown, meaning that it may be possible that it will never be paid over to Witzenberg Municipality.



# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

The following table provides a summary of the financial performance and financial position of the municipality as at 31 December 2017.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b><u>Financial Performance</u></b>								
Property rates	64,827	64,827	3,093	45,006	32,413	12,593	39%	64,827
Service charges	302,714	302,714	22,489	146,129	151,357	(5,228)	-3%	302,714
Investment revenue	4,565	4,565	645	3,504	2,283	1,222	54%	14,661
Transfers recognised - operational	97,846	98,571	30,315	63,488	49,285	14,203	29%	98,571
Other own revenue	42,820	42,818	5,003	14,382	21,409	(7,027)	-33%	42,818
<b>Total Revenue (excluding capital)</b>	<b>512,772</b>	<b>513,495</b>	<b>61,545</b>	<b>272,510</b>	<b>256,748</b>	<b>15,762</b>	<b>6%</b>	<b>523,591</b>
Employee costs	163,628	163,805	10,774	76,703	81,902	(5,199)	-6%	163,805
Remuneration of Councillors	10,083	10,083	670	4,097	5,041	(945)	-19%	10,083
Depreciation & asset impairment	46,045	46,045	3,837	23,023	23,023	-	-	46,045
Finance charges	3,710	3,670	339	569	1,835	(1,265)	-69%	3,670
Materials and bulk purchases	201,738	201,165	13,376	81,414	100,583	(19,169)	-19%	201,165
Transfers and grants	15,763	15,738	32	9,975	7,869	2,106	27%	15,738
Other expenditure	107,063	109,872	15,830	37,707	54,936	(17,229)	-31%	109,872
<b>Total Expenditure</b>	<b>548,030</b>	<b>550,378</b>	<b>44,858</b>	<b>233,487</b>	<b>275,189</b>	<b>(41,702)</b>	<b>-15%</b>	<b>550,378</b>
<b>Surplus/(Deficit)</b>	<b>(35,258)</b>	<b>(36,883)</b>	<b>16,687</b>	<b>39,023</b>	<b>(18,442)</b>	<b>57,464</b>	<b>-312%</b>	<b>(26,787)</b>
Transfers recognised - capital	63,230	68,692	381	9,249	34,346	(25,096)	-73%	68,692
Contributions & Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers</b>	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>	<b>32,368</b>	<b>204%</b>	<b>41,905</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>	<b>32,368</b>	<b>204%</b>	<b>41,905</b>
<b><u>Capital expenditure &amp; funds sources</u></b>								
<b>Capital expenditure</b>	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>
Capital transfers recognised	58,858	64,320	2,721	13,941	32,160	(18,219)	-57%	64,320
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	3,500	3,526	-	396	1,763	(1,367)	-78%	3,526
Internally generated funds	20,889	21,291	1,293	5,821	10,645	(4,824)	-45%	21,291
<b>Total sources of capital funds</b>	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>
<b><u>Financial position</u></b>								
Total current assets	79,257	84,962		122,876				122,876
Total non current assets	37,201	43,092		(2,849)				(2,849)
Total current liabilities	69,636	77,357		(7,587)				(7,587)
Total non current liabilities	18,851	18,889		3,019				3,019
<b>Community wealth/Equity</b>	<b>27,972</b>	<b>31,808</b>		<b>124,596</b>				<b>124,596</b>
<b><u>Cash flows</u></b>								
Net cash from (used) operating	161,618	161,618	59,147	53,854	80,809	(26,956)	-33%	161,618
Net cash from (used) investing	-	-	13,500	(17,011)	-	(17,011)		-
Net cash from (used) financing	3,500	3,500	(86)	(931)	1,750	(2,681)	-153%	3,500
<b>Cash/cash equivalents at the month</b>	<b>165,118</b>	<b>165,118</b>	<b>-</b>	<b>35,912</b>	<b>82,559</b>	<b>(46,647)</b>	<b>-57%</b>	<b>165,118</b>
<b>Debtors &amp; creditors analysis</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120</b>	<b>121-150</b>	<b>151-180</b>	<b>181 Dys-1</b>	<b>Over 1Yr</b>	<b>Total</b>
<b><u>Debtors Age Analysis</u></b>								
Total By Income Source	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992
<b><u>Creditors Age Analysis</u></b>								
Total Creditors	881	13	0	-	-	-	-	3,331

No historic data were available to accurately determine the monthly projections for the income and expenditure items in terms of MSCOA that was implemented from 1 July 2017 as a totally new chart of accounts was implemented. The actual monthly information for six months are now available. Revised monthly projections will be submitted to council for consideration with the adjustment budget.

The budgeted deficit for the financial year excluding capital transfer revenue is R 37 million. The deficit includes the following non cash transactions:  
 Depreciation: R 46 million  
 Provision for Rehabilitation of Landfill Sites: R2.4 million  
 Contributions to Post Employment Medical Benefits: R 10 million

# *Mid-Year Budget Statement and Performance Assessment*

## *for the period 1 July to 31 December 2017*

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue - Standard</b>								
<b>Governance and administration</b>	<b>81,085</b>	<b>81,085</b>	<b>7,357</b>	<b>54,490</b>	<b>40,543</b>	13,948	34%	<b>81,085</b>
Executive and council	4	4	–	–	2	(2)	-100%	4
Finance and administration	81,082	81,082	7,357	54,490	40,541	13,950	34%	81,082
Internal audit	–	–	–	–	–	–	–	–
<b>Community and public safety</b>	<b>118,693</b>	<b>119,417</b>	<b>30,664</b>	<b>65,954</b>	<b>59,709</b>	6,246	10%	<b>119,417</b>
Community and social services	90,126	90,850	23,804	54,238	45,425	8,813	19%	90,850
Sport and recreation	11,045	11,045	284	2,197	5,523	(3,326)	-60%	11,045
Public safety	6	6	0	1	3	(2)	-75%	6
Housing	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
Health	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	<b>31,252</b>	<b>31,251</b>	<b>288</b>	<b>4,384</b>	<b>15,625</b>	(11,242)	-72%	<b>31,251</b>
Planning and development	2,202	2,202	139	726	1,101	(375)	-34%	2,202
Road transport	29,039	29,038	150	3,658	14,519	(10,861)	-75%	29,038
Environmental protection	11	11	–	–	6	(6)	-100%	11
<b>Trading services</b>	<b>390,117</b>	<b>395,580</b>	<b>24,990</b>	<b>141,638</b>	<b>197,790</b>	(56,152)	-28%	<b>395,580</b>
Energy sources	237,351	237,351	15,507	107,822	118,675	(10,854)	-9%	237,351
Water management	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
Waste water management	47,175	49,525	2,495	15,313	24,762	(9,449)	-38%	49,525
Waste management	26,854	26,854	2,275	13,790	13,427	363	3%	26,854
<b>Other</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Revenue - Standard</b>	<b>621,147</b>	<b>627,332</b>	<b>63,299</b>	<b>266,466</b>	<b>313,666</b>	<b>(47,200)</b>	<b>-15%</b>	<b>627,332</b>
<b>Expenditure - Standard</b>								
<b>Governance and administration</b>	<b>116,609</b>	<b>116,630</b>	<b>9,173</b>	<b>48,232</b>	<b>58,315</b>	(10,084)	-17%	<b>116,630</b>
Executive and council	24,419	24,438	1,946	10,816	12,219	(1,403)	-11%	24,438
Finance and administration	90,336	90,301	7,068	36,361	45,151	(8,790)	-19%	90,301
Internal audit	1,854	1,891	159	1,055	946	109	12%	1,891
<b>Community and public safety</b>	<b>87,501</b>	<b>88,507</b>	<b>6,349</b>	<b>40,705</b>	<b>44,254</b>	(3,548)	-8%	<b>88,507</b>
Community and social services	33,018	33,787	2,031	11,551	16,893	(5,343)	-32%	33,787
Sport and recreation	28,228	28,126	3,327	13,978	14,063	(85)	-1%	28,126
Public safety	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Housing	18,009	18,309	284	11,105	9,154	1,950	21%	18,309
Health	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	<b>58,287</b>	<b>59,859</b>	<b>4,522</b>	<b>22,177</b>	<b>29,930</b>	(7,753)	-26%	<b>59,859</b>
Planning and development	10,158	10,290	687	3,977	5,145	(1,168)	-23%	10,290
Road transport	46,473	47,898	3,733	17,620	23,949	(6,329)	-26%	47,898
Environmental protection	1,657	1,672	101	580	836	(256)	-31%	1,672
<b>Trading services</b>	<b>329,913</b>	<b>329,664</b>	<b>26,187</b>	<b>131,318</b>	<b>164,832</b>	(33,514)	-20%	<b>329,664</b>
Energy sources	225,313	225,073	15,003	87,808	112,537	(24,728)	-22%	225,073
Water management	30,429	30,427	3,189	11,505	15,214	(3,708)	-24%	30,427
Waste water management	33,671	33,667	3,913	15,874	16,834	(960)	-6%	33,667
Waste management	40,501	40,497	4,081	16,130	20,248	(4,118)	-20%	40,497
<b>Other</b>	<b>864</b>	<b>862</b>	<b>2</b>	<b>400</b>	<b>431</b>	<b>(31)</b>	<b>-7%</b>	<b>862</b>
<b>Total Expenditure - Standard</b>	<b>593,175</b>	<b>595,524</b>	<b>46,232</b>	<b>242,831</b>	<b>297,762</b>	<b>(54,930)</b>	<b>-18%</b>	<b>595,524</b>
<b>Surplus/ (Deficit) for the year</b>	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>23,635</b>	<b>15,904</b>	<b>7,730</b>	<b>49%</b>	<b>31,809</b>

*Mid-Year Budget Statement and Performance Assessment for the period*  
*1 July to 31 December 2017*

The following table provides detail of revenue and expenditure according to the international standard classification framework.

**WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment**

Description	Budget Year 2017/18							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>								
<b>Revenue - Standard</b>								
<b>Municipal governance and administration</b>	<b>81,085</b>	<b>81,085</b>	<b>7,357</b>	<b>54,490</b>	<b>40,543</b>	<b>13,948</b>	<b>34%</b>	<b>81,085</b>
Executive and council	4	4	-	-	2	(2)	-100%	4
<i>Mayor and Council</i>	0	0	-	-	0	(0)	-100%	0
<i>Municipal Manager</i>	4	4	-	-	2	(2)	-100%	4
Finance and administration	81,082	81,082	7,357	54,490	40,541	13,950	34%	81,082
<i>Administrative and Corporate Support</i>	2,832	2,832	-	-	1,416	(1,416)	-100%	2,832
<i>Asset Management</i>	-	-	-	-	-	-	-	-
<i>Budget and Treasury Office</i>	4,802	4,802	3,428	4,765	2,401	2,364	98%	4,802
<i>Finance</i>	72,816	72,816	3,927	49,708	36,408	13,300	37%	72,816
<i>Fleet Management</i>	36	36	-	-	18	(18)	-100%	36
<i>Human Resources</i>	574	574	-	-	287	(287)	-100%	574
<i>Information Technology</i>	0	0	-	-	0	(0)	-100%	0
<i>Legal Services</i>	1	1	-	-	1	(1)	-100%	1
<i>Marketing, Customer Relations, Publicity and Media</i>	4	4	-	-	2	(2)	-100%	4
<i>Property Services</i>	2	2	-	-	1	(1)	-100%	2
<i>Risk Management</i>	-	-	-	-	-	-	-	-
<i>Security Services</i>	-	-	-	-	-	-	-	-
<i>Supply Chain Management</i>	15	15	1	18	8	10	131%	15
<i>Valuation Service</i>	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-
<i>Governance Function</i>	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>118,693</b>	<b>119,417</b>	<b>30,664</b>	<b>65,954</b>	<b>59,709</b>	<b>6,246</b>	<b>10%</b>	<b>119,417</b>
Community and social services	90,126	90,850	23,804	54,238	45,425	8,813	19%	90,850
<i>Aged Care</i>	80,496	80,496	23,723	53,862	40,248	13,614	34%	80,496
<i>Agricultural</i>	-	-	-	-	-	-	-	-
<i>Animal Care and Diseases</i>	-	-	-	-	-	-	-	-
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	238	238	21	132	119	13	11%	238
<i>Child Care Facilities</i>	-	-	-	-	-	-	-	-
<i>Community Halls and Facilities</i>	745	1,045	57	202	522	(320)	-61%	1,045
<i>Consumer Protection</i>	-	-	-	-	-	-	-	-
<i>Cultural Matters</i>	-	-	-	-	-	-	-	-
<i>Disaster Management</i>	-	-	-	-	-	-	-	-
<i>Education</i>	-	-	-	-	-	-	-	-
<i>Indigenous and Customary Law</i>	-	-	-	-	-	-	-	-
<i>Industrial Promotion</i>	-	-	-	-	-	-	-	-
<i>Language Policy</i>	-	-	-	-	-	-	-	-
<i>Libraries and Archives</i>	8,647	9,071	4	43	4,536	(4,493)	-99%	9,071
<i>Literacy Programmes</i>	-	-	-	-	-	-	-	-
<i>Media Services</i>	-	-	-	-	-	-	-	-
<i>Museums and Art Galleries</i>	-	-	-	-	-	-	-	-
<i>Population Development</i>	-	-	-	-	-	-	-	-
<i>Provincial Cultural Matters</i>	-	-	-	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-	-	-	-
<i>Zoo's</i>	-	-	-	-	-	-	-	-
Sport and recreation	11,045	11,045	284	2,197	5,523	(3,326)	-60%	11,045
<i>Beaches and Jetties</i>	-	-	-	-	-	-	-	-
<i>Casinos, Racing, Gambling, Wagering</i>	-	-	-	-	-	-	-	-
<i>Community Parks (including</i>	561	561	-	-	281	(281)	-100%	561
<i>Recreational Facilities</i>	9,761	9,761	282	2,153	4,881	(2,728)	-56%	9,761
<i>Sports Grounds and Stadiums</i>	723	723	2	43	361	(318)	-88%	723

Description	Budget Year 2017/18						YTD variance %	Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
<b>R thousands</b>								
Public safety	6	6	0	1	3	(2)	-75%	6
<i>Fire Fighting and Protection</i>	6	6	0	1	3	(2)	-75%	6
<i>Licensing and Control of Animals</i>	-	-	-	-	-	-		-
Housing	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
<i>Housing</i>	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
<i>Informal Settlements</i>	-	-	-	-	-	-		-
<b>Economic and environmental services</b>	<b>31,252</b>	<b>31,251</b>	<b>288</b>	<b>4,384</b>	<b>15,625</b>	<b>(11,242)</b>	<b>-72%</b>	<b>31,251</b>
Planning and development	2,202	2,202	139	726	1,101	(375)	-34%	2,202
<i>Billboards</i>	-	-	-	-	-	-		-
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	10	10	-	-	5	(5)	-100%	10
<i>Central City Improvement District</i>	-	-	-	-	-	-		-
<i>Development Facilitation</i>	-	-	-	-	-	-		-
<i>Economic Development/Planning</i>	-	-	-	-	-	-		-
<i>Regional Planning and Development</i>	-	-	-	-	-	-		-
<i>Town Planning, Building Regulations and Enforcement</i>	1,650	1,650	139	726	825	(99)	-12%	1,650
<i>Project Management Unit</i>	542	542	-	-	271	(271)	-100%	542
<i>Provincial Planning</i>	-	-	-	-	-	-		-
<i>Support to Local Municipalities</i>	-	-	-	-	-	-		-
Road transport	29,039	29,038	150	3,658	14,519	(10,861)	-75%	29,038
<i>Police Forces, Traffic and Street Parking Control</i>	18,338	18,337	158	1,148	9,168	(8,021)	-87%	18,337
<i>Pounds</i>	-	-	-	-	-	-		-
<i>Public Transport</i>	-	-	-	-	-	-		-
<i>Road and Traffic Regulation</i>	-	-	-	-	-	-		-
<i>Roads</i>	10,701	10,701	(8)	2,510	5,350	(2,840)	-53%	10,701
<i>Taxi Ranks</i>	-	-	-	-	-	-		-
Environmental protection	11	11	-	-	6	(6)	-100%	11
<i>Biodiversity and Landscape</i>	11	11	-	-	6	(6)	-100%	11
<i>Coastal Protection</i>	-	-	-	-	-	-		-
<i>Indigenous Forests</i>	-	-	-	-	-	-		-
<i>Nature Conservation</i>	-	-	-	-	-	-		-
<i>Pollution Control</i>	-	-	-	-	-	-		-
<i>Soil Conservation</i>	-	-	-	-	-	-		-
<b>Trading services</b>	<b>390,117</b>	<b>395,580</b>	<b>24,990</b>	<b>141,638</b>	<b>197,790</b>	<b>(56,152)</b>	<b>-28%</b>	<b>395,580</b>
Energy sources	237,351	237,351	15,507	107,822	118,675	(10,854)	-9%	237,351
<i>Electricity</i>	230,894	230,894	15,202	105,667	115,447	(9,780)	-8%	230,894
<i>Street Lighting and Signal Systems</i>	6,457	6,457	305	2,154	3,228	(1,074)	-33%	6,457
<i>Nonelectric Energy</i>	-	-	-	-	-	-		-
Water management	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
<i>Water Treatment</i>	-	-	-	-	-	-		-
<i>Water Distribution</i>	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
<i>Water Storage</i>	-	-	-	-	-	-		-
Waste water management	47,175	49,525	2,495	15,313	24,762	(9,449)	-38%	49,525
<i>Public Toilets</i>	0	0	-	-	0	(0)	-100%	0
<i>Sewerage</i>	41,165	43,515	2,495	15,313	21,757	(6,444)	-30%	43,515
<i>Storm Water Management</i>	6,010	6,010	-	-	3,005	(3,005)	-100%	6,010
<i>Waste Water Treatment</i>	-	-	-	-	-	-		-
Waste management	26,854	26,854	2,275	13,790	13,427	363	3%	26,854
<i>Recycling</i>	-	-	-	-	-	-		-
<i>Solid Waste Disposal (Landfill Sites)</i>	36	36	-	-	18	(18)	-100%	36
<i>Solid Waste Removal</i>	26,818	26,818	2,275	13,790	13,409	381	3%	26,818
<i>Street Cleaning</i>	-	-	-	-	-	-		-

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment

Description	Budget Year 2017/18							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>								
<b>Expenditure - Standard</b>								
<b>Municipal governance and administration</b>	<b>116,609</b>	<b>116,630</b>	<b>9,173</b>	<b>48,232</b>	<b>58,315</b>	<b>(10,084)</b>	<b>-17%</b>	<b>116,630</b>
Executive and council	24,419	24,438	1,946	10,816	12,219	(1,403)	-11%	24,438
Mayor and Council	15,162	15,185	1,264	6,309	7,592	(1,283)	-17%	15,185
Municipal Manager, Town Secretary and Chief Execut	9,257	9,253	682	4,507	4,626	(120)	-3%	9,253
Finance and administration	90,336	90,301	7,068	36,361	45,151	(8,790)	-19%	90,301
Administrative and Corporate Support	9,039	9,626	1,139	4,659	4,813	(154)	-3%	9,626
Asset Management	5,149	5,149	0	45	2,575	(2,529)	-98%	5,149
Budget and Treasury Office	16,725	15,849	1,966	6,604	7,924	(1,320)	-17%	15,849
Finance	18,079	18,079	2,372	7,022	9,039	(2,018)	-22%	18,079
Fleet Management	2,939	2,929	152	736	1,465	(728)	-50%	2,929
Human Resources	18,169	17,969	(620)	8,933	8,985	(51)	-1%	17,969
Information Technology	3,616	4,376	227	1,417	2,188	(771)	-35%	4,376
Legal Services	2,508	2,218	318	1,001	1,109	(108)	-10%	2,218
Marketing, Customer Relations, Publicity and Media	3,401	3,406	322	1,415	1,703	(288)	-17%	3,406
Property Services	3,361	3,351	250	1,523	1,676	(153)	-9%	3,351
Risk Management	384	384	-	3	192	(188)	-98%	384
Security Services	-	-	-	-	-	-	-	-
Supply Chain Management	5,433	5,433	524	2,481	2,716	(236)	-9%	5,433
Valuation Service	1,532	1,532	418	521	766	(245)	-32%	1,532
Internal audit	1,854	1,891	159	1,055	946	109	12%	1,891
Governance Function	1,854	1,891	159	1,055	946	109	12%	1,891
<b>Community and public safety</b>	<b>87,501</b>	<b>88,507</b>	<b>6,349</b>	<b>40,705</b>	<b>44,254</b>	<b>(3,548)</b>	<b>-8%</b>	<b>88,507</b>
Community and social services	33,018	33,787	2,031	11,551	16,893	(5,343)	-32%	33,787
Aged Care	12,554	12,805	476	2,625	6,402	(3,777)	-59%	12,805
Agricultural	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	2,922	2,907	217	1,296	1,453	(157)	-11%	2,907
Child Care Facilities	722	722	-	26	361	(335)	-93%	722
Community Halls and Facilities	5,886	5,991	519	2,838	2,996	(158)	-5%	5,991
Consumer Protection	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-
Disaster Management	53	53	5	13	26	(14)	-52%	53
Education	619	619	-	8	310	(302)	-98%	619
Indigenous and Customary Law	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-
Libraries and Archives	10,262	10,689	814	4,745	5,345	(600)	-11%	10,689
Literacy Programmes	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-
Sport and recreation	28,228	28,126	3,327	13,978	14,063	(85)	-1%	28,126
Beaches and Jetties	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)	7,175	7,175	583	3,158	3,588	(430)	-12%	7,175
Recreational Facilities	16,095	15,992	2,305	8,314	7,996	318	4%	15,992
Sports Grounds and Stadiums	4,958	4,958	439	2,506	2,479	27	1%	4,958
Public safety	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Fire Fighting and Protection	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Licensing and Control of Animals	-	-	-	-	-	-	-	-
Housing	18,009	18,309	284	11,105	9,154	1,950	21%	18,309
Housing	16,509	16,788	284	11,090	8,394	2,696	32%	16,788
Informal Settlements	1,500	1,521	-	15	761	(745)	-98%	1,521

Description	Budget Year 2017/18						YTD variance %	Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
<b>R thousands</b>								
<b>Economic and environmental services</b>	<b>58,287</b>	<b>59,859</b>	<b>4,522</b>	<b>22,177</b>	<b>29,930</b>	<b>(7,753)</b>	<b>-26%</b>	<b>59,859</b>
Planning and development	10,158	10,290	687	3,977	5,145	(1,168)	-23%	10,290
<i>Billboards</i>	—	—	—	—	—	—	—	—
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	2,191	2,180	161	856	1,090	(234)	-21%	2,180
<i>Central City Improvement District</i>	—	—	—	—	—	—	—	—
<i>Development Facilitation</i>	—	—	—	—	—	—	—	—
<i>Economic Development/Planning</i>	2,087	2,267	110	598	1,133	(535)	-47%	2,267
<i>Regional Planning and Development</i>	—	—	—	—	—	—	—	—
<i>Town Planning, Building Regulations and Enforcement</i>	3,565	3,565	294	1,770	1,783	(13)	-1%	3,565
<i>Project Management Unit</i>	2,315	2,278	123	753	1,139	(386)	-34%	2,278
<i>Provincial Planning</i>	—	—	—	—	—	—	—	—
<i>Support to Local Municipalities</i>	—	—	—	—	—	—	—	—
Road transport	46,473	47,898	3,733	17,620	23,949	(6,329)	-26%	47,898
<i>Police Forces, Traffic and Street Parking Control</i>	24,339	24,464	1,501	7,091	12,232	(5,141)	-42%	24,464
<i>Pounds</i>	—	—	—	—	—	—	—	—
<i>Public Transport</i>	—	—	—	—	—	—	—	—
<i>Road and Traffic Regulation</i>	—	—	—	—	—	—	—	—
<i>Roads</i>	22,134	23,434	2,233	10,529	11,717	(1,188)	-10%	23,434
<i>Taxi Ranks</i>	—	—	—	—	—	—	—	—
Environmental protection	1,657	1,672	101	580	836	(256)	-31%	1,672
<i>Biodiversity and Landscape</i>	1,657	1,672	27	136	836	(700)	-84%	1,672
<i>Coastal Protection</i>	—	—	—	—	—	—	—	—
<i>Indigenous Forests</i>	—	—	—	—	—	—	—	—
<i>Nature Conservation</i>	—	—	—	—	—	—	—	—
<i>Pollution Control</i>	—	—	74	444	—	444	—	—
<i>Soil Conservation</i>	—	—	—	—	—	—	—	—
<b>Trading services</b>	<b>329,913</b>	<b>329,664</b>	<b>26,187</b>	<b>131,318</b>	<b>164,832</b>	<b>(33,514)</b>	<b>-20%</b>	<b>329,664</b>
Energy sources	225,313	225,073	15,003	87,808	112,537	(24,728)	-22%	225,073
<i>Electricity</i>	217,699	217,459	14,832	86,364	108,730	(22,366)	-21%	217,459
<i>Street Lighting and Signal Systems</i>	7,614	7,614	170	1,445	3,807	(2,363)	-62%	7,614
<i>Nonelectric Energy</i>	—	—	—	—	—	—	—	—
Water management	30,429	30,427	3,189	11,505	15,214	(3,708)	-24%	30,427
<i>Water Treatment</i>	1,365	1,365	2	18	683	(665)	-97%	1,365
<i>Water Distribution</i>	25,680	25,678	2,990	9,635	12,839	(3,205)	-25%	25,678
<i>Water Storage</i>	3,383	3,383	197	1,853	1,692	161	10%	3,383
Waste water management	33,671	33,667	3,913	15,874	16,834	(960)	-6%	33,667
<i>Public Toilets</i>	1,550	1,550	127	659	775	(116)	-15%	1,550
<i>Sewerage</i>	24,625	24,626	3,252	12,479	12,313	166	1%	24,626
<i>Storm Water Management</i>	5,329	5,324	530	2,711	2,662	49	2%	5,324
<i>Waste Water Treatment</i>	2,167	2,167	4	25	1,084	(1,059)	-98%	2,167
Waste management	40,501	40,497	4,081	16,130	20,248	(4,118)	-20%	40,497
<i>Recycling</i>	—	—	—	—	—	—	—	—
<i>Solid Waste Disposal (Landfill Sites)</i>	13,936	13,932	1,063	5,461	6,966	(1,505)	-22%	13,932
<i>Solid Waste Removal</i>	25,404	25,404	2,922	10,145	12,702	(2,557)	-20%	25,404
<i>Street Cleaning</i>	1,161	1,161	96	524	581	(56)	-10%	1,161
<b>Other</b>	<b>864</b>	<b>862</b>	<b>2</b>	<b>400</b>	<b>431</b>	<b>(31)</b>	<b>-7%</b>	<b>862</b>
Licensing and Regulation	97	95	2	16	47	(31)	-66%	95
Tourism	767	767	0	384	384	—	—	767
<b>Total Expenditure - Functional</b>	<b>593,175</b>	<b>595,524</b>	<b>46,232</b>	<b>242,831</b>	<b>297,762</b>	<b>(54,930)</b>	<b>-18%</b>	<b>595,524</b>
<b>Surplus/ (Deficit) for the year</b>	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>23,635</b>	<b>15,904</b>	<b>7,730</b>	<b>49%</b>	<b>31,809</b>

# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

The table provides detail of revenue and expenditure according to municipal votes.

**WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment**

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>Revenue by Vote</u></b>									
Vote 1 - Financial Services	–	74,641	74,641	7,151	53,322	37,320	16,002	42.9%	74,641
Vote 2 - Community Services	–	137,581	138,304	30,857	67,315	69,152	(1,837)	-2.7%	138,304
Vote 3 - Corporate Services	–	3,506	3,506	–	–	1,753	(1,753)	-100.0%	3,506
Vote 4 - Technical Services	–	404,086	409,548	25,263	170,200	204,774	(34,574)	-16.9%	409,548
Vote 5 - Municipal Manager	–	1,333	1,333	29	266	667	(401)	-60.1%	1,333
<b>Total Revenue by Vote</b>	–	<b>621,147</b>	<b>627,332</b>	<b>63,299</b>	<b>291,103</b>	<b>313,666</b>	<b>(22,563)</b>	<b>-7.2%</b>	<b>627,332</b>
<b><u>Expenditure by Vote</u></b>									
Vote 1 - Financial Services	–	48,438	47,561	5,411	17,535	23,781	(6,245)	-26.3%	47,561
Vote 2 - Community Services	–	116,832	118,050	8,144	49,564	59,025	(9,461)	-16.0%	118,050
Vote 3 - Corporate Services	–	55,927	56,959	2,739	25,652	28,479	(2,828)	-9.9%	56,959
Vote 4 - Technical Services	–	359,932	361,217	28,982	145,119	180,609	(35,489)	-19.6%	361,217
Vote 5 - Municipal Manager	–	12,047	11,736	957	4,961	5,868	(907)	-15.5%	11,736
<b>Total Expenditure by Vote</b>	–	<b>593,175</b>	<b>595,524</b>	<b>46,232</b>	<b>242,831</b>	<b>297,762</b>	<b>(54,930)</b>	<b>-18.4%</b>	<b>595,524</b>
<b>Surplus/ (Deficit) for the year</b>	–	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>	<b>32,368</b>	<b>203.5%</b>	<b>31,809</b>



# *Mid-Year Budget Statement and Performance Assessment for the period*

## *1 July to 31 December 2017*

The table provides detail of revenue according to source and expenditure according to type.

**WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment**

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>Revenue By Source</u></b>									
Property rates	-	64,827	64,827	3,093	45,006	32,413	12,593	39%	64,827
Service charges - electricity revenue	-	219,007	219,007	14,339	100,033	109,503	(9,470)	-9%	219,007
Service charges - water revenue	-	41,086	41,086	4,005	20,670	20,543	127	1%	41,086
Service charges - sanitation revenue	-	20,933	20,933	2,166	13,744	10,466	3,278	31%	20,933
Service charges - refuse revenue	-	21,689	21,689	1,979	11,681	10,844	837	8%	21,689
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	9,650	9,650	264	1,876	4,825	(2,949)	-61%	9,650
Interest earned - external investments	-	4,565	4,565	645	3,504	2,283	1,222	54%	4,565
Interest earned - outstanding debtors	-	10,096	10,096	643	5,259	5,048	211	4%	10,096
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	14,668	14,668	75	470	7,334	(6,864)	-94%	14,668
Licences and permits	-	154	152	105	831	76	754	990%	152
Agency services	-	4,614	4,614	-	-	2,307	(2,307)	-100%	4,614
Transfers recognised - operational	-	97,846	98,571	30,315	63,488	49,285	14,203	29%	98,571
Other revenue	-	3,637	3,637	3,915	5,947	1,819	4,128	227%	3,637
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>512,772</b>	<b>513,495</b>	<b>61,545</b>	<b>272,510</b>	<b>256,748</b>	<b>15,762</b>	<b>6%</b>	<b>513,495</b>
<b><u>Expenditure By Type</u></b>									
Employee related costs	-	163,628	163,805	10,774	76,703	81,902	(5,199)	-6%	163,805
Remuneration of councillors	-	10,083	10,083	670	4,097	5,041	(945)	-19%	10,083
Debt impairment	-	27,125	27,125	6,523	6,693	13,562	(6,870)	-51%	27,125
Depreciation & asset impairment	-	46,045	46,045	3,837	23,023	23,023	-	-	46,045
Finance charges	-	3,710	3,670	339	569	1,835	(1,265)	-69%	3,670
Bulk purchases	-	183,215	182,975	12,231	73,820	91,488	(17,668)	-19%	182,975
Other materials	-	18,523	18,190	1,144	7,594	9,095	(1,501)	-17%	18,190
Contracted services	-	38,605	39,816	6,204	15,036	19,908	(4,873)	-24%	39,816
Transfers and grants	-	15,763	15,738	32	9,975	7,869	2,106	27%	15,738
Other expenditure	-	41,333	42,931	3,102	15,978	21,465	(5,487)	-26%	42,931
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	-	<b>548,030</b>	<b>550,378</b>	<b>44,858</b>	<b>233,487</b>	<b>275,189</b>	<b>(41,702)</b>	<b>-15%</b>	<b>550,378</b>
<b><u>Surplus/(Deficit)</u></b>	-	<b>(35,258)</b>	<b>(36,883)</b>	<b>16,687</b>	<b>39,023</b>	<b>(18,442)</b>	<b>57,464</b>	<b>(0)</b>	<b>(36,883)</b>
Transfers recognised - capital	-	63,230	68,692	381	9,249	34,346	(25,096)	(0)	68,692
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>			<b>31,809</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	-	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>			<b>31,809</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to</b>	-	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>			<b>31,809</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>			<b>31,809</b>

The revenue and expenditure figures excludes internal charges.

# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

The tables provides detail of capital expenditure according to municipal votes.

**WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Mid-Year Assessment**

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>Multi-Year expenditure appropriation</u></b>									
Vote 1 - Financial Services	–	–	–	–	–	–	–		–
Vote 2 - Community Services	–	–	–	–	–	–	–		–
Vote 3 - Corporate Services	–	–	–	–	–	–	–		–
Vote 4 - Technical Services	–	22,442	24,217	1,363	8,265	12,109	(3,843)	-32%	24,217
Vote 5 - Muncipal Manager	–	–	–	–	–	–	–		–
<b>Total Capital Multi-year expenditure</b>	–	<b>22,442</b>	<b>24,217</b>	<b>1,363</b>	<b>8,265</b>	<b>12,109</b>	<b>(3,843)</b>	<b>-32%</b>	<b>24,217</b>
<b><u>Single Year expenditure appropriation</u></b>									
Vote 1 - Financial Services	–	180	180	7	42	90	(48)	-53%	180
Vote 2 - Community Services	–	3,695	5,863	265	1,330	2,932	(1,601)	-55%	5,863
Vote 3 - Corporate Services	–	1,972	2,022	–	330	1,011	(681)	-67%	2,022
Vote 4 - Technical Services	–	54,903	56,800	2,378	10,190	28,400	(18,210)	-64%	56,800
Vote 5 - Muncipal Manager	–	55	55	–	–	28	(28)	-100%	55
<b>Total Capital single-year expenditure</b>	–	<b>60,805</b>	<b>64,920</b>	<b>2,651</b>	<b>11,893</b>	<b>32,460</b>	<b>(20,567)</b>	<b>-63%</b>	<b>64,920</b>
<b>Total Capital Expenditure</b>	–	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>

**WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Mid-Year Assessment**

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	–	<b>2,304</b>	<b>2,354</b>	<b>7</b>	<b>376</b>	<b>1,177</b>	<b>(801)</b>	<b>-68%</b>	<b>2,354</b>
Executive and council	–	295	295	–	18	148	(130)	-88%	295
Finance and administration	–	2,009	2,059	7	358	1,030	(671)	-65%	2,059
Internal audit	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>	–	<b>3,495</b>	<b>3,695</b>	<b>265</b>	<b>1,326</b>	<b>1,848</b>	<b>(522)</b>	<b>-28%</b>	<b>3,695</b>
Community and social services	–	535	543	111	222	271	(50)	-18%	543
Sport and recreation	–	2,260	2,452	154	1,104	1,226	(122)	-10%	2,452
Public safety	–	500	500	–	–	250	(250)	-100%	500
Housing	–	200	200	–	–	100	(100)	-100%	200
Health	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	–	<b>17,050</b>	<b>16,098</b>	<b>93</b>	<b>2,985</b>	<b>8,049</b>	<b>(5,064)</b>	<b>-63%</b>	<b>16,098</b>
Planning and development	–	20	20	–	–	10	(10)	-100%	20
Road transport	–	17,030	16,078	93	2,985	8,039	(5,054)	-63%	16,078
Environmental protection	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	–	<b>60,398</b>	<b>66,990</b>	<b>3,649</b>	<b>15,472</b>	<b>33,495</b>	<b>(18,023)</b>	<b>-54%</b>	<b>66,990</b>
Energy sources	–	3,327	3,327	290	1,374	1,664	(290)	-17%	3,327
Water management	–	31,597	36,695	1,503	8,934	18,348	(9,413)	-51%	36,695
Waste water management	–	22,169	23,662	1,678	4,836	11,831	(6,995)	-59%	23,662
Waste management	–	3,305	3,305	177	327	1,652	(1,325)	-80%	3,305
<b>Other</b>	–	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Standard Classification</b>	–	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>
<b>Funded by:</b>									
National Government	–	31,226	31,226	2,675	13,468	15,613	(2,146)	-14%	31,226
Provincial Government	–	27,632	33,094	46	473	16,547	(16,074)	-97%	33,094
District Municipality	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	–	<b>58,858</b>	<b>64,320</b>	<b>2,721</b>	<b>13,941</b>	<b>32,160</b>	<b>(18,219)</b>	<b>-57%</b>	<b>64,320</b>
<b>Public contributions &amp; donations</b>	–	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowing</b>	–	<b>3,500</b>	<b>3,526</b>	<b>–</b>	<b>396</b>	<b>1,763</b>	<b>(1,367)</b>	<b>-78%</b>	<b>3,526</b>
<b>Internally generated funds</b>	–	<b>20,889</b>	<b>21,291</b>	<b>1,293</b>	<b>5,821</b>	<b>10,645</b>	<b>(4,824)</b>	<b>-45%</b>	<b>21,291</b>
<b>Total Capital Funding</b>	–	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>

# *Mid-Year Budget Statement and Performance Assessment for the period 1 u 2017*

The table provides detail of the municipality's financial position as at period end.

**WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment**

Description	2016/17	Budget Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash	–	93,458	98,966	88,297	88,297
Call investment deposits	–	(0)	(0)	17,000	17,000
Consumer debtors	–	(30,388)	(16,707)	10,772	10,772
Other debtors	–	13,682	–	9,024	9,024
Current portion of long-term receivables	–	–	–	–	–
Inventory	–	2,505	2,703	(2,216)	(2,216)
<b>Total current assets</b>	–	<b>79,257</b>	<b>84,962</b>	<b>122,876</b>	<b>122,876</b>
<b>Non current assets</b>					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	(596)	(596)	(298)	(298)
Investments in Associate	–	–	–	–	–
Property, plant and equipment	–	37,866	43,757	(2,469)	(2,469)
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	(69)	(69)	(81)	(81)
Other non-current assets	–	–	–	–	–
<b>Total non current assets</b>	–	<b>37,201</b>	<b>43,092</b>	<b>(2,849)</b>	<b>(2,849)</b>
<b>TOTAL ASSETS</b>	–	<b>116,458</b>	<b>128,054</b>	<b>120,027</b>	<b>120,027</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	–	–	–	427	427
Trade and other payables	–	61,739	69,073	(8,955)	(8,955)
Provisions	–	7,897	8,284	941	941
<b>Total current liabilities</b>	–	<b>69,636</b>	<b>77,357</b>	<b>(7,587)</b>	<b>(7,587)</b>
<b>Non current liabilities</b>					
Borrowing	–	6,324	6,362	(1,530)	(1,530)
Provisions	–	12,527	12,527	4,549	4,549
<b>Total non current liabilities</b>	–	<b>18,851</b>	<b>18,889</b>	<b>3,019</b>	<b>3,019</b>
<b>TOTAL LIABILITIES</b>	–	<b>88,487</b>	<b>96,246</b>	<b>(4,569)</b>	<b>(4,569)</b>
<b>NET ASSETS</b>	–	<b>27,972</b>	<b>31,808</b>	<b>124,596</b>	<b>124,596</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)	–	27,972	31,808	124,596	124,596
Reserves	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	–	<b>27,972</b>	<b>31,808</b>	<b>124,596</b>	<b>124,596</b>

# *Mid-Year Budget Statement and Performance Assessment for the period*

## *1 July to 31 December 2017*

The cash flows for the year to date are indicated in the following table:

**WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment**

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	–	61,689	61,689	(22)	14,527	30,845	(16,318)	-53%	61,689
Government - operating	–	291,601	291,601	7,167	162,821	145,800	17,021	12%	291,601
Government - capital	–	17,246	17,246	197	55,662	8,623	47,039	545%	17,246
Interest	–	97,846	97,846	24,138	60,898	48,923	11,975	24%	97,846
Dividends	–	63,230	63,230	11,257	23,870	31,615	(7,744)	-24%	63,230
<b>Payments</b>									
Suppliers and employees	–	–	–	–	–	–	–		–
Finance charges	–	–	–	–	–	–	–		–
Transfers and Grants	–	(369,994)	(369,994)	16,410	(263,925)	(184,997)	78,928	-43%	(369,994)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>–</b>	<b>161,618</b>	<b>161,618</b>	<b>59,147</b>	<b>53,854</b>	<b>80,809</b>	<b>(26,956)</b>	<b>-33%</b>	<b>161,618</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	–	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–		–
<b>Payments</b>									
Capital assets	–	–	–	13,500	(17,011)	–	17,011		–
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>13,500</b>	<b>(17,011)</b>	<b>–</b>	<b>17,011</b>		<b>–</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	–	–	–	–	–	–	–		–
Borrowing long term/refinancing	–	3,500	3,500	–	–	1,750	(1,750)	-100%	3,500
Increase (decrease) in consumer deposits	–	–	–	23	91	–	91		–
<b>Payments</b>									
Repayment of borrowing	–	–	–	(109)	(1,022)	–	1,022		–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>–</b>	<b>3,500</b>	<b>3,500</b>	<b>(86)</b>	<b>(931)</b>	<b>1,750</b>	<b>2,681</b>	<b>153%</b>	<b>3,500</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>–</b>	<b>165,118</b>	<b>165,118</b>	<b>72,561</b>	<b>35,912</b>	<b>82,559</b>			<b>165,118</b>
Cash/cash equivalents at beginning:	–	–	–		–	–			–
Cash/cash equivalents at month/year end:	–	165,118	165,118		35,912	82,559			165,118

# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

The debtors age analysis per Income source and customer group is as follows:

**WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment**

Description	NT Code	Budget Year 2017/18									Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys- 1 Yr	Over 1Yr	Total	
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	6,889	1,523	1,382	948	932	931	5,047	41,839	59,490	49,697
Electricity	1300	12,308	675	737	287	254	184	859	2,464	17,766	4,047
Property Rates	1400	3,684	217	180	156	2,812	129	692	12,818	20,686	16,606
Waste Water Management	1500	3,287	619	573	527	499	456	2,604	19,021	27,586	23,107
Waste Management	1600	3,320	810	675	675	632	456	2,407	23,251	32,226	27,421
Property Rental Debtors	1700	45	18	17	74	16	16	93	997	1,275	1,196
Interest on Arrear Accounts	1810	69	64	85	81	96	108	946	31,872	33,322	33,103
Recoverable expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	(2,973)	72	42	45	25	104	168	1,157	(1,360)	1,500
Total By Income Source	2000	26,627	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992	156,677
2016/17 - totals only										–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	1,947	696	558	136	505	70	108	2,380	6,400	3,199
Commercial	2300	11,254	249	218	267	1,083	225	930	6,329	20,555	8,833
Households	2400	12,161	2,821	2,679	2,194	2,670	1,917	10,632	117,085	152,159	134,498
Other	2500	1,264	232	236	195	1,008	172	1,146	7,626	11,878	10,147
Total By Customer Group	2600	26,627	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992	156,677

Some consumers used council's gesture to enable them to purchase electricity although their accounts are in arrears during the holiday season as an excuse to not pay their municipal accounts due in December. The collection rate for December was only 78%, forcing the year to date collection rate down to 93% from the 96% achieved at the end of November.

# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

The movement in investments is detailed below.

**WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment**

Investments by maturity Name of institution & investment ID  R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
<b><u>Municipality</u></b>								
ABSA	-	-	-	-		-	-	-
Investec	-	-	-	-		-	-	-
Nedbank	-	-	-	-		-	-	-
Standard Bank	-	-	-	-		-	-	17,000
	-	-	-	-		-	-	-
<b>Municipality sub-total</b>				-		-	-	17,000
<b><u>Entities</u></b>								
<b>Entities sub-total</b>				-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>				-		-	-	<b>17,000</b>

# Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

Operating and Capital transfers received are indicated in the following table:

**WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment**

Description	Ref	Budget Year 2017/18							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>	1,2								
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>		73,960	73,960	23,748	53,988	36,980	17,008	46.0%	73,960
Equitable Share		70,412	70,412	23,470	52,809	35,206	17,603	50.0%	70,412
Local Government Financial Management Grant [Sche		1,550	1,550	27	167	775	(608)	-78.4%	1,550
Expanded Public Works Programme Integrated Grant f		1,485	1,485	251	1,012	743	269	36.2%	1,485
Municipal Infrastructure Grant [Schedule 5B]		513	513	–	–	257	(257)	-100.0%	513
		–	–	–	–	–	–		–
	3	–	–	–	–	–	–		–
<b>Provincial Government:</b>		23,886	24,311	6,567	11,109	12,155	(1,047)	-8.6%	24,311
Human Settlement Development		14,328	14,328	6,565	9,459	7,164	2,295	32.0%	14,328
Financial Management		240	240	–	–	120	(120)	-100.0%	240
Replacement Funding for most vulnerable B3 municip		5,450	5,874	–	1,608	2,937	(1,329)	-45.3%	5,874
Library Service Conditional Grant	4	2,600	2,600	–	–	1,300	(1,300)	-100.0%	2,600
Community Development Workers		148	148	2	41	74	(33)	-44.4%	148
Regional Socio-economic Project/Violence Preventio		1,000	1,000	–	–	500	(500)	-100.0%	1,000
Maintenance of Main Roads		120	120	–	–	60	(60)	-100.0%	120
<b>Total Operating Transfers and Grants</b>	5	<b>97,846</b>	<b>98,271</b>	<b>30,315</b>	<b>65,096</b>	<b>49,135</b>	<b>15,961</b>	<b>32.5%</b>	<b>98,271</b>
<b>Capital Transfers and Grants</b>							–		
<b>National Government:</b>		35,598	35,598	375	9,220	17,799	(8,579)	-48.2%	35,598
Municipal Infrastructure Grant [Schedule 5B]		22,226	22,226	366	9,212	11,113	(1,901)	-17.1%	22,226
Regional Bulk Infrastructure Grant (Schedule 5B)		13,372	13,372	9	9	6,686	(6,677)	-99.9%	13,372
Integrated National Electrification Programme (Mun		–	–	–	–	–	–		–
<b>Provincial Government:</b>		27,632	32,632	6	29	16,316	(16,287)	-99.8%	32,632
Human Settlement\		27,632	32,632	6	29	16,316	(16,287)	-99.8%	32,632
		–	–	–	–	–	–		–
<b>Total Capital Transfers and Grants</b>	5	<b>63,230</b>	<b>68,230</b>	<b>381</b>	<b>9,249</b>	<b>34,115</b>	<b>(24,865)</b>	<b>-72.9%</b>	<b>68,230</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>161,076</b>	<b>166,500</b>	<b>30,696</b>	<b>74,346</b>	<b>83,250</b>	<b>(8,904)</b>	<b>-10.7%</b>	<b>166,500</b>



# *Mid-Year Budget Statement and Performance Assessment for the period*

## *1 July to 31 December 2017*

Operating and Capital expenditure financed from grants are indicated in the following table:

**WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment**

Description	Ref	Budget Year 2017/18							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>EXPENDITURE</u></b>									
<b><u>Operating expenditure of Transfers and Grants</u></b>									
<b>National Government:</b>		<b>73,960</b>	<b>73,915</b>	<b>3,536</b>	<b>19,280</b>	<b>36,958</b>	<b>(17,677)</b>	<b>-47.8%</b>	<b>73,915</b>
Equitable Share		70,412	70,367	3,309	18,114	35,184	(17,069)	-48.5%	70,367
Local Government Financial Management Grant [Sche		1,550	1,550	27	161	775	(614)	-79.2%	1,550
Expanded Public Works Programme Integrated Grant f		1,485	1,485	200	1,005	743	263	35.4%	1,485
Municipal Infrastructure Grant [Schedule 5B]		513	513	–	–	257	(257)	-100.0%	513
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		<b>43,284</b>	<b>48,284</b>	<b>40</b>	<b>9,511</b>	<b>24,142</b>	<b>(14,631)</b>	<b>-60.6%</b>	<b>48,284</b>
Human Settlement Development		41,960	46,960	29	9,459	23,480	(14,021)	-59.7%	46,960
Replacement Funding for most vulnerable B3 municip		–	–	–	–	–	–	–	–
Library Service Conditional Grant		–	–	–	–	–	–	–	–
Community Development Workers		204	204	2	39	102	(63)	-62.0%	204
Regional Socio-economic Project/Violence Preventio		1,000	1,000	9	12	500	(488)	-97.5%	1,000
Maintenance of Main Roads		120	120	–	–	60	(60)	-100.0%	120
Other grant providers:		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
Other capital transfers [insert description]		–	–	–	–	–	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>		<b>117,244</b>	<b>122,199</b>	<b>3,576</b>	<b>28,791</b>	<b>61,100</b>	<b>(32,309)</b>	<b>-52.9%</b>	<b>122,199</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>									
<b>National Government:</b>		<b>31,226</b>	<b>31,226</b>	<b>2,675</b>	<b>13,468</b>	<b>15,613</b>	<b>(2,146)</b>	<b>-13.7%</b>	<b>31,226</b>
Municipal Infrastructure Grant [Schedule 5B]		19,496	19,496	2,614	13,407	9,748	3,658	37.5%	19,496
Regional Bulk Infrastructure Grant (Schedule 5B)		11,730	11,730	61	61	5,865	(5,804)	-99.0%	11,730
Integrated National Electrification Programme (Mun		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
<b>Total capital expenditure of Transfers and Grants</b>		<b>31,226</b>	<b>31,226</b>	<b>2,675</b>	<b>13,468</b>	<b>15,613</b>	<b>(2,146)</b>	<b>-13.7%</b>	<b>31,226</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>148,470</b>	<b>153,426</b>	<b>6,251</b>	<b>42,259</b>	<b>76,713</b>	<b>(34,454)</b>	<b>-44.9%</b>	<b>153,426</b>

# *Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017*

Expenditure on councillor allowances and employee benefits:

**WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment**

Summary of Employee and Councillor remuneration	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>								
Basic Salaries and Wages	7,196	7,196	537	3,246	3,598	(352)	-10%	7,196
Pension and UIF Contributions	1,003	1,003	78	471	502	(30)	-6%	1,003
Medical Aid Contributions	201	201	9	62	100	(38)	-38%	201
Motor Vehicle Allowance	651	651	–	–	325	(325)	-100%	651
Cellphone Allowance	556	556	43	266	278	(13)	-5%	556
Housing Allowances	425	425	3	51	213	(162)	-76%	425
Other benefits and allowances	50	50	–	1	25	(24)	-96%	50
<b>Sub Total - Councillors</b>	<b>10,083</b>	<b>10,083</b>	<b>670</b>	<b>4,097</b>	<b>5,041</b>	<b>(945)</b>	<b>-19%</b>	<b>10,083</b>
<b>% increase</b>								
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	4,260	4,260	347	2,032	2,130	(98)	-5%	4,260
Pension and UIF Contributions	704	704	46	271	352	(81)	-23%	704
Medical Aid Contributions	131	131	8	50	65	(16)	-24%	131
Overtime	–	–	–	–	–	–	–	–
Performance Bonus	805	805	–	321	403	(81)	-20%	805
Motor Vehicle Allowance	945	945	31	126	473	(347)	-73%	945
Cellphone Allowance	64	64	2	11	32	(21)	-65%	64
Housing Allowances	138	138	–	–	69	(69)	-100%	138
Other benefits and allowances	158	125	57	354	63	291	464%	125
Payments in lieu of leave	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers</b>	<b>7,205</b>	<b>7,172</b>	<b>492</b>	<b>3,165</b>	<b>3,586</b>	<b>(422)</b>	<b>-12%</b>	<b>7,172</b>
<b>% increase</b>								
<b>Other Municipal Staff</b>								
Basic Salaries and Wages	97,371	97,693	7,292	42,536	48,846	(6,310)	-13%	97,693
Pension and UIF Contributions	15,318	15,321	1,169	6,944	7,660	(717)	-9%	15,321
Medical Aid Contributions	6,806	6,806	525	3,167	3,403	(237)	-7%	6,806
Overtime	10,974	10,971	1,085	7,211	5,486	1,725	31%	10,971
Performance Bonus	7,091	7,091	581	3,611	3,546	66	2%	7,091
Motor Vehicle Allowance	4,092	3,978	332	1,807	1,989	(182)	-9%	3,978
Cellphone Allowance	378	380	35	251	190	61	32%	380
Housing Allowances	1,490	1,490	120	717	745	(28)	-4%	1,490
Other benefits and allowances	1,596	1,596	235	1,403	798	604	76%	1,596
Payments in lieu of leave	791	791	(2,069)	(134)	396	(530)	-134%	791
Long service awards	388	388	69	441	194	247	127%	388
Post-retirement benefit obligations	10,126	10,126	908	5,585	5,063	522	10%	10,126
<b>Sub Total - Other Municipal Staff</b>	<b>156,422</b>	<b>156,632</b>	<b>10,283</b>	<b>73,539</b>	<b>78,316</b>	<b>(4,777)</b>	<b>-6%</b>	<b>156,632</b>
<b>% increase</b>								
<b>Total Parent Municipality</b>	<b>173,711</b>	<b>173,888</b>	<b>11,445</b>	<b>80,800</b>	<b>86,944</b>	<b>(6,144)</b>	<b>-7%</b>	<b>173,888</b>
<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>						<b>#DIV/0!</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>								
<b>Total Municipal Entities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL SALARY, ALLOWANCES &amp; % increase</b>	<b>173,711</b>	<b>173,888</b>	<b>11,445</b>	<b>80,800</b>	<b>86,944</b>	<b>(6,144)</b>	<b>-7%</b>	<b>173,888</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>163,628</b>	<b>163,805</b>	<b>10,774</b>	<b>76,703</b>	<b>81,902</b>	<b>(5,199)</b>	<b>-6%</b>	<b>163,805</b>

# Mid-Year Budget Statement and Performance Assessment for the period

1 July to 31 December 2017

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid-Year Assessment

Description	Ref	Budget Year 2017/18											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget
<b>Cash Receipts By Source</b>													
Property rates		3,345	12,935	5,490	12,707	4,868	3,463	5,141	5,141	5,141	5,141	5,141	16,296
Service charges - electricity revenue		18,142	20,502	15,447	17,251	14,535	12,109	18,169	18,169	18,169	18,169	18,169	57,360
Service charges - water revenue		2,316	3,051	2,526	2,851	3,597	2,663	2,951	2,951	2,951	2,951	2,951	11,747
Service charges - sanitation revenue		4,300	2,031	1,676	1,668	1,745	1,311	1,605	1,605	1,605	1,605	1,605	5,844
Service charges - refuse		1,483	2,094	1,671	1,804	1,828	1,291	1,488	1,488	1,488	1,488	1,488	2,129
Service charges - other		2,075	1,341	1,346	1,974	3,604	605	87	87	87	87	87	(86,934)
Rental of facilities and equipment		66	32	816	144	206	804	804	804	804	804	804	3,560
Interest earned - external investments		10	1,053	(0)	1,234	549	380	380	380	380	380	380	(565)
Interest earned - outstanding debtors		-	13	-	-	-	713	713	713	713	713	713	4,262
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		6	13	18	144	217	248	248	248	248	248	248	1,092
Licences and permits		21	-	(1,491)	(206)	394	-	-	-	-	-	-	1,283
Agency services		-	-	-	-	-	385	385	385	385	385	385	2,307
Transfer receipts - operating		-	29,339	354	7,046	21	8,154	8,154	8,154	8,154	8,154	8,154	12,163
Other revenue		8	50,632	715	3,298	432	-	-	-	-	-	-	(55,085)
<b>Cash Receipts by Source</b>		<b>31,771</b>	<b>123,036</b>	<b>28,567</b>	<b>49,915</b>	<b>31,998</b>	<b>32,126</b>	<b>40,125</b>	<b>40,125</b>	<b>40,125</b>	<b>40,125</b>	<b>40,125</b>	<b>(24,540)</b>
<b>Other Cash Flows by Source</b>													
Transfer receipts - capital		-	12,613	-	-	-	5,269	5,269	5,269	5,269	5,269	5,269	19,001
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	3,500
Increase in consumer deposits		(24)	(54)	61	76	10	-	-	-	-	-	-	(69)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	(11)	-	-	-	-	-	-	-	-	11
<b>Total Cash Receipts by Source</b>		<b>31,747</b>	<b>135,595</b>	<b>28,618</b>	<b>49,991</b>	<b>32,008</b>	<b>37,395</b>	<b>45,394</b>	<b>45,394</b>	<b>45,394</b>	<b>45,394</b>	<b>45,394</b>	<b>(2,096)</b>
<b>Cash Payments by Type</b>													
Employee related costs		8,269	8,312	11,092	11,416	18,403	12,029	12,029	12,029	12,029	12,029	12,029	14,681
Remuneration of councillors		698	752	729	752	728	840	840	840	840	840	840	1,381
Interest paid		-	-	231	-	-	78	78	78	78	78	78	238
Bulk purchases - Electricity		187	351	44,688	13,080	11,853	13,579	13,579	13,579	13,579	13,579	13,579	11,314
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		46	0	919	2,045	2,077	625	625	625	625	625	625	(1,338)
Contracted services		446	13	1,252	507	3,925	1,634	1,634	1,634	1,634	1,634	1,634	3,660
Grants and subsidies paid - other municipalities		203	-	-	-	-	-	-	-	-	-	-	(203)
Grants and subsidies paid - other		-	-	46	3,120	6,550	49	49	49	49	49	49	(9,423)
General expenses		19,162	34,537	6,267	3,147	7,724	2,084	2,084	2,084	2,084	2,084	2,084	(57,832)
<b>Cash Payments by Type</b>		<b>29,012</b>	<b>43,966</b>	<b>65,225</b>	<b>34,069</b>	<b>51,261</b>	<b>30,918</b>	<b>30,918</b>	<b>30,918</b>	<b>30,918</b>	<b>30,918</b>	<b>30,918</b>	<b>(37,523)</b>
<b>Other Cash Flows/Payments by Type</b>													
Capital assets		12,297	6,429	3,599	2,293	2,583	5,778	2,214	2,996	8,489	9,348	8,272	19,383
Repayment of borrowing		32,576	14,453	(9,193)	(1,353)	30,471	-	-	-	-	-	-	(66,954)
Other Cash Flows/Payments		21,681	(300)	5,687	89,274	(4,385)	(17,494)	(47,237)	78,727	(64,560)	(18,751)	(14,902)	24,741
<b>Total Cash Payments by Type</b>		<b>95,566</b>	<b>64,547</b>	<b>65,317</b>	<b>124,283</b>	<b>79,929</b>	<b>19,202</b>	<b>(14,105)</b>	<b>112,641</b>	<b>(25,153)</b>	<b>21,516</b>	<b>24,287</b>	<b>(60,352)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(63,819)</b>	<b>71,048</b>	<b>(36,699)</b>	<b>(74,291)</b>	<b>(47,922)</b>	<b>18,192</b>	<b>59,499</b>	<b>(67,247)</b>	<b>70,546</b>	<b>23,878</b>	<b>21,106</b>	<b>58,256</b>
Cash/cash equivalents at the month/year beginning:		45,875	(17,944)	53,104	16,405	(57,887)	(105,808)	(87,616)	(28,117)	(95,364)	(24,817)	(939)	20,167
Cash/cash equivalents at the month/year end:		(17,944)	53,104	16,405	(57,887)	(105,808)	(87,616)	(28,117)	(95,364)	(24,817)	(939)	20,167	78,423

# WITZENBERG MUNICIPALITY

## SDBIP TOP LAYER MID-YEAR REPORT 2017/18

Key Performance Area	Strategic Objective	Ref Nr	Key Performance Indicator	Annual Target	2nd Quarter	
					Target	Result
Essential services	Sustainable provision & maintenance of basic services	TecDir1	Percentage expenditure on maintenance budget by Technical Directorate.	99%	50%	44%
		TecDir3	Percentage expenditure on capital budget by Technical Directorate.	96%	40%	23%
		TecRo7	Kilometres of roads upgraded & rehabilitated.	3	0,5	1,16
		TecWat21	Percentage compliance with drinking water quality standards	98%	98%	100%
		TecWat20	Decrease unaccounted water losses.	18%	18%	16%
		TecEl37	Decrease unaccounted electricity losses.	8%	8%	8,8%
		FinInc17	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	<1%	<1%	0%
		FinInc18	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	<1%	<1%	0%
		FinInc19	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	<1%	<1%	0,4%
		FinInc20	Number of outstanding valid applications for waste removal services expressed as a % of total number of billings for the service.	<1%	<1%	0%
	Provide for the needs of informal settlements through improved services	TecDir2	Number of subsidised serviced sites developed.	500	150	0
		TecWat22	Provide basic services - number of informal areas with sufficient communal water service points (taps).	3	3	3
		TecSan13	Provide basic services - number of informal areas with sufficient communal sanitation service points(toilets).	3	3	3
		TecRef31	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area cleaning service.	3	3	3
		TecEl36	Number of subsidised electricity connections installed.	309	50	187
Governance	Support institutional development & transformation	CorpHR12	Percentage of people from employment equity target groups employed in the three highest levels of management.	75%	75%	71%
		CorpHR13	Percentage budget spend on the implementation of the Workplace Skills Plan	96%	50%	37%
	Financial Viability	MM1	Percentage spend on maintenance for the whole municipality.	99%	50%	44%
		MM2	Percentage spend on Capital Budget for the whole municipality.	96%	40%	23%
		FinDir3	Opinion of the Auditor-General on annual financial statements of the previous year.	Unqualified		1
		FinFAdm9	Financial viability expressed as Cost-Coverage ratio	2,8	2,8	3,7
		FinFAdm10	Financial viability expressed as Debt-Coverage ratio	30	30	101
		FinFAdm11	Financial viability expressed outstanding service debtors	44%	44%	85,83%
		FinInc15	Increased revenue collection	95%	95%	93%
	Strengthen relations	MMIDP9	Number of IDP community meetings held.	14	7	7
		ComSoc49	Number of meetings with intergovernmental partners.	12	6	6

Key Performance Area	Strategic Objective	Ref Nr	Key Performance Indicator	Annual Target	2nd Quarter	
					Target	Result
Communal services	Provide & maintain facilities	ComDir1	Percentage expenditure on maintenance budget by Community Directorate.	99%	50%	68%
		ComDir2	Percentage expenditure on capital budget by Community Directorate.	96%	40%	35%
		ComAm34	Customer satisfaction survey on community facilities (score 1 - 5)	2,5		
Socio-Economic Support Services	Support the poor & vulnerable	ComLed8	The number of jobs created through the municipality's local economic development initiatives including capital projects.	390	200	200
		ComHS14	Number of housing opportunities provided per year - top structures.	309	50	107
		ComHS15	Number of rental stock transferred.	60	30	6
		ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	2750	2750	2296
		ComSoc42	Bi-annual HIV/AIDS awareness programmes	3	1	1
		ComSoc43	Arrange workshops for youth per twinning agreement	2	2	2
		ComSoc44	Implement substance abuse programmes	5	3	3
		ComSoc45	Implementation of child protection programmes	2		
		ComSoc46	Implementation of early childhood development programmes	4	2	2
		ComSoc47	Implementation of gender programmes	2	1	1
		ComSoc48	Implementation of projects for persons with disabilities	2	1	1
	Create an enabling environment to attract investment & support local economy.	MMPProp21	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Phase 4 Implement		
		ComLed4	Compile & Implementation of LED Strategy.	Review of plan		

### Targets not achieved:

#### TecDir1 – Percentage expenditure on maintenance budget by Technical Directorate.

Reason for target not achieved:

- The contractor who does some of the maintenance work on the Roads & Storm water, had cash flow problems.

Corrective measures:

- The contractor was issued with 2 rate of progress letters, as per the General Conditions of Contract, the progress of the contractor has since increased and will the expenditure also be improving now.

#### TecDir3 – Percentage expenditure on capital budget by Technical Directorate.

Reason for target not achieved:

- This underspending is due to the late start of the Vredebes internal services housing project. The layout was amended which had the effect that the services plans could not be approved. The layout has been approved and the services plans approved in the meantime. The number of sites to be serviced has also been reduced to 300. Vredebes Housing Project – R25 000 000,00. Asla was given approval to commence with the services of Vredbes phase F1 on 6 October 2017 already, Asla submitted an application to dept. of Human Settlements for additional funding due to Geotechnical

conditions, Asla indicated they need clarity from dept. Human Settlements on the additional funding before they can establish site.

- Tulbagh Construction of Dam - R11 729 824,00 . DWS has not approved the funding , to enable us to commence with the project.
- Total of these two projects – R36 729 824.00

Corrective measures:

- Reduced amount to be corrected with adjustment budget. Vredebes Housing Project – Follow up with Asla & dept. Human Settlements on the approval of the additional geotech funding.
- Tulbagh Construction of Dam – Follow up with DWS on approval of funding. I am already following up with DWS on a monthly basis on the progress of the release of the RBIG funding.

#### TecEl37 – *Decrease unaccounted electricity losses.*

Reason for target not achieved:

- Technical losses is actual losses that occur when transferring power in dsitribution system. This can only be optimised and is not always practical due to budget constraints.
- Electricity theft. Connections can be removed but the safety of personnel are at risk as well as the possibility of riots.
- Unmetered installations and meters will be addressed once the challenges with the GIS as reported seperately have been addressed.
- The identification of faulty and inaccurate meters is a challenge due to staff and equipment constraints.

Corrective measures:

- A load-flow study to identify upgrades and possible switching to increase network performance and reduce technical losses will be completed by June 2018.
- An illegal strategy connection will be drafted by February 2018
- Using GIS to determine anomalies
- Investigation on the erven identified with possible anomalies in order to address electricity losses.
- Appoint a consultant by June 2018 to do a complete meter audit.

#### TecDir2 – *Number of subsidised serviced sites developed.*

Reason for target not achieved:

- Engineering drawings for the internal services of the Vredebes phase F1 was approved on 1 November 2017. Asla has not started on site yet, as they submitted a geotechnical variance application for additional funds to Human Settlements, the outcome of the geotechnical funding are currently awaited.

Corrective measures:

- The geotechnical variance application must be finalised by Human Settlements, to allow the Contractor to commence on site.

#### CorpHR12 – *Percentage of people from employment equity target groups employed in the three highest levels of management.*

Reason for target not achieved:

- Vacant positions has been advertised but appointments has not been made due to a lack of suitable candidates.

Corrective measures:

- Positions to be re-advertised.

CorpHR13 – *Percentage budget spent on the Implementation of the Workplace Skills Plan .*

Reason for target not achieved:

- Bidders did not comply in terms of pre-Bid Specifications

Corrective measures:

- Bid will be re-advertised
- Orders to the amount of 53% of budget has been issued.

MM1 – *Percentage expenditure on maintenance budget for the whole Municipality.*

Reason for target not achieved:

- The contractor who does some of the maintenance work on the Roads & Storm water, had cash flow problems.
- Orders was not issued timeously by Finance for various R&M votes, due to MSCOA.

Corrective measures:

- R&M votes and orders have been received and spending will increase now.
- The roads contractor was issued with 2 rate of progress letters, as per the General Conditions of Contract, the progress of the contractor has since increased and will the expenditure also be improving now.

MM2 – *Percentage expenditure on capital budget for the whole municipality..*

Reason for target not achieved:

- This underspending is due to the late start of the Vredebes internal services housing project. The layout was amended which had the effect that the services plans could not be approved. The layout has been approved and the services plans approved in the meantime. The number of sites to be serviced has also been reduced to 300. Vredebes Housing Project – R25 000 000,00. Asla was given approval to commence with the services of Vredebes phase F1 on 6 October 2017 already, Asla submitted an application to dept. of Human Settlements for additional funding due to Geotechnical conditions, Asla indicated they need clarity from dept. Human Settlements on the additional funding before they can establish site.
- Tulbagh Construction of Dam - R11 729 824,00 . DWS has not approved the funding , to enable us to commence with the project.
- Total of these two projects – R36 729 824.00

Corrective measures:

- Reduced amount to be corrected with adjustment budget. Vredebes Housing Project – Follow up with Asla & dept. Human Settlements on the approval of the additional geotech funding.
- Tulbagh Construction of Dam – Follow up with DWS on approval of funding. I am already following up with DWS on a monthly basis on the progress of the release of the RBIG funding.

FinAdm11 – *Financial viability expressed as outstanding service debtors..*

Reason for target not achieved:

- Credit control measures are limited in areas where electricity is supplied by Eskom. This concern has been addressed by SALGA but no workable solution has been reached to date.
- An additional contributing factor to the none achievement of the KPI is due to limited applications for indigent support within these areas.

Corrective measures:

- Implementation of water management meters to limit water consumption and to address the non-payment for the water service.

FinInc15 – Increased revenue collection

Reason for target not achieved:

- Credit control measures are limited in areas where electricity is supplied by Eskom. This concern has been addressed by SALGA but no workable solution has been reached to date.
- An additional contributing factor to the none achievement of the KPI is due to limited applications for indigent support within these areas.

Corrective measures:

- Implementation of water management meters to limit water consumption and to address the non-payment for the water service.

ComDir2 – Percentage expenditure on capital budget by Community Directorate.

Reason for target not achieved:

- Capital projects base on the availability of the municipal loan has not being finalized.

Corrective measures:

- In terms of Amenities some tenders has been re-advertised.

ComHS15 – Number of rental stock transferred.

Reason for target not achieved:

- Attorney indicated that he struggled to get documents signed by beneficiaries who did not show for their appointments.
- Extended RCC (rates clearance certificates) were required for 9 properties from the Finance Department and was delayed.
- Registration of N'duli properties are linked to lost VA for certain titles at the deeds office

Corrective measures:

- Lost VA's were found, RCC again requested and received by Agent (Dykes Van Heerden) and Attorney and will be lodge by middle November 2017
- 4 applications lodge on 3 October 2017 – registration 3 weeks after lodgement – Attorney
- Signed documents already handed in for signature of MM and send back) – Attorney needs to expedite lodgement



*Mid-Year Budget Statement and Performance Assessment for the period  
1 July to 31 December 2017*

**4 MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the mid-year budget and performance assessment have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

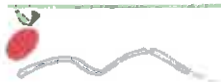
Print name: **Mr. D NASSON**

**Municipal Manager of WITZENBERG MUNICIPALITY**

Signature:



Date: **17 January 2018**





**Quarterly Budget Statement Report  
{Section 52(d)} for the Period  
1 October 2017 to 31 December 2017**

**Financial data is in respect of the period  
1 July 2017 to 31 December 2017**

# Glossary

**Adjustments Budgets** – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**AFS** – Annual Financial Statements

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget.

**Capital Expenditure** – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

**CFO** – Chief Financial Officer / Director: Finance

**DORA** – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GDFI** - Gross Domestic Fixed Investment

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

**GRAP** – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

**IDP** – Integrated Development Plan. The main strategic planning document of a municipality.

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome.

**MFMA** – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

## Glossary (Continued)

**MIG** – Municipal Infrastructure Grant

**MPRA** – Municipal Property Rates Act (No 6 of 2004).

**MTREF** – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

**NT** – National Treasury

**Net Assets** – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

**Operating Expenditure** – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

**Rates** – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**RBIG** – Regional Bulk Infrastructure Grant

**R&M** – Repairs and maintenance on property, plant and equipment.

**SCM** – Supply Chain Management.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

**TMA** – Total Municipal Account

**Unauthorised expenditure** – Generally, spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Virement Policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – One of the main segments into which a budget is divided, usually at department level.

**WM** – Witzenberg Municipality

# Legal requirements

In terms of Section 52 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

## **52. General Responsibilities.** — The mayor of a municipality—

- (a) must provide general political guidance over the fiscal and financial affairs of the municipality;
- (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- (c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
- (d) **must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and**
- (e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

In terms of section 11 (4) (a), the Accounting Officer must within 30 days after the end of each quarter table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1) (b) to (j) during that quarter. Section 11(1) read as follow:

*"11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, and may do so only—*

- (a) to defray expenditure appropriated in terms of an approved budget;*
- (b) to defray expenditure authorised in terms of section 26(4);*
- (c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);*
- (d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section;*
- (e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including—*
  - (i) money collected by the municipality on behalf of that person or organ of state by agreement; or*
  - (ii) any insurance or other payments received by the municipality for that person or organ of state;*
- (f) to refund money incorrectly paid into a bank account;*
- (g) to refund guarantees, sureties and security deposits;*
- (h) for cash management and investment purposes in accordance with section 13;*
- (i) to defray increased expenditure in terms of section 31; or*
- (j) for such other purposes as may be prescribed."*

In terms of Section 66 of the MFMA the Accounting Officer must prepare a report on all expenditure incurred with relation to staff benefits.

Section 66 reads as follow:

*"66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely—*

- (a) salaries and wages;*
- (b) contributions for pensions and medical aid;*
- (c) travel, motor car, accommodation, subsistence and other allowances;*
- (d) housing benefits and allowances;*

- (e) overtime payments;*
- (f) loans and advances; and*
- (g) any other type of benefit or allowance related to staff."*

The following regulations of the Local Government: Municipal Finance Management Act Municipal Budget and Reporting Regulations are relevant:

Quarterly reports on implementation of budget

31. (1) The mayor's quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required by section 52(d) of the Act must be-
- {a} in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and
  - (b) consistent with the monthly budget statements for September, December, March and June as applicable; and
  - (c) submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

Publication of quarterly reports on implementation of budget

32. When publishing the quarterly reports on the implementation of the budget in terms of section 75(1)(k) of the Act, the municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the quarterly report on the implementation of the budget and the financial state of affairs of the municipality, including -
- (a) summaries of quarterly report in alternate languages predominant in the community; and
  - {b} information relevant to each ward in the municipality.

# PART 1 - IN-YEAR REPORT

## Mayors Report

Speaker  
Deputy Executive Mayor  
Members of the Mayoral Committee  
Councillors  
Representatives of Provincial Government  
Municipal Manager  
Directors and officials  
Distinguished guests  
Members of the media

It is my privilege to present to you the quarterly Budget Statement Report for the three months 1 October 2017 to 31 December 2017.

The process of value for money spending is always a challenge for capital projects. The amended capital budget amounts to R 89.0 million of which R 20.1 million was already expended as at 31 December 2017.

The main contributing factors to the low spending on the capital budget are:

- R11.7 million forecast expenditure which could not be utilised as the Department of Water affairs failed to pay over the funding. At this current moment the status of the gazetted amount is unknown, meaning that it may be possible that it will never be paid over to Witzenberg Municipality. Steps will be implemented to increase spending on capital projects.
- Vredebes Housing Project – Serviced sites budget. Originally it was indicated by the Department of Human Settlements that 500 sites will be approved for implementation and thus provision for 500 sites was made in the municipal budget. In the approval letter dated November 2017 it was indicated that only 300 sites will be budgeted for by the Department.
- Vredebes Housing Project – Serviced sites implementation. Official budget approval was only received in November 2017. The Implementing agent also indicated that the budget need to be increased due to the geotechnical conditions of the area. The planned expenditure to date was R 15 million which did not realise due to the abovementioned issues.

Credit control for various reasons remains a challenge for the municipality. I will recommend to Council to appoint a special task team to assist Council in obtaining a solution for the collection of outstanding debt.

The current drought situation is a concern as it will have a negative impact on the economic output of the region, unemployment will increase and the demand for free municipal service is expected to increase to exceed the budgeted provision.

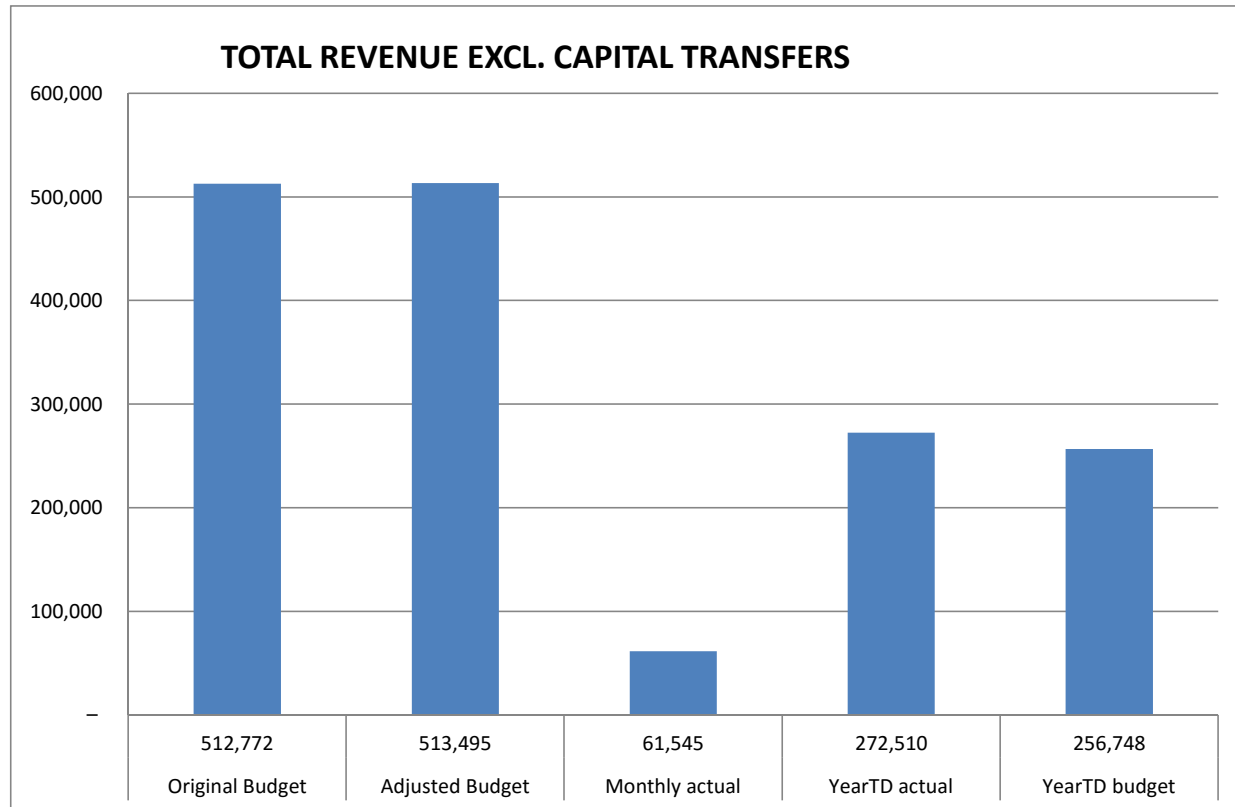
With the exception of Tulbagh it is expected that sufficient water will be available to meet the demand of municipal consumers, on condition that the current water sources are being used sparingly.

**COUNCILLOR BC KLAASEN**  
**EXECUTIVE MAYOR**

## Recommendation

It is recommended that council take cognisance of the quarterly budget assessment for the period 1 July 2017 to 31 December 2017.

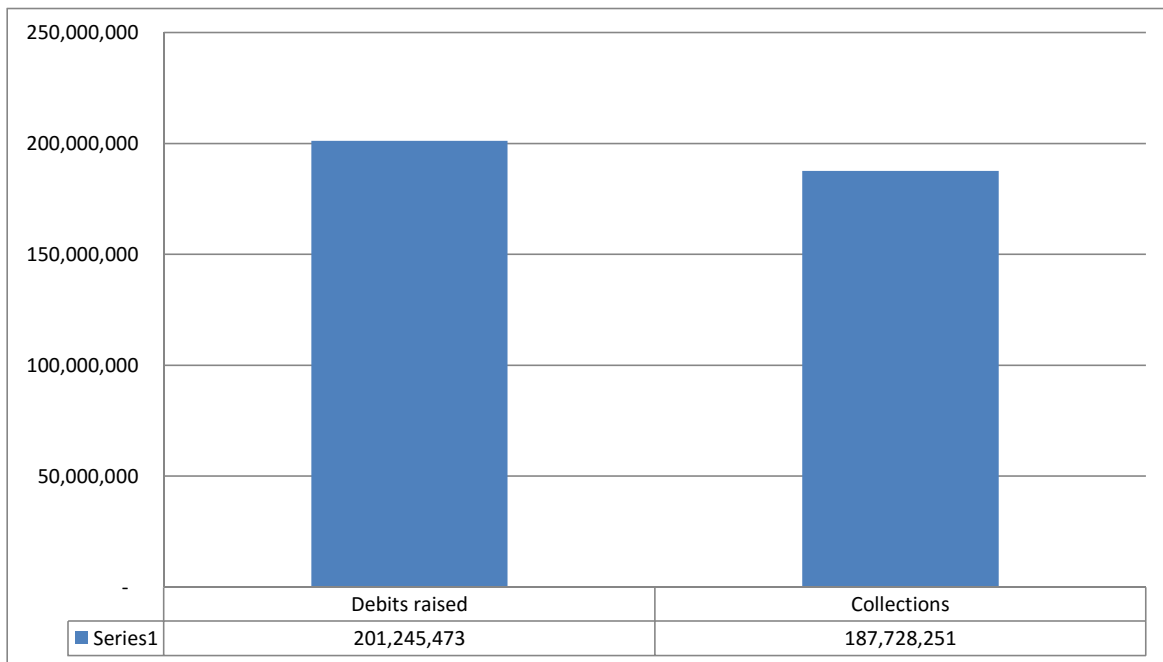
## Executive Summary



For the period 1 July 2017 to 31 December 2017, 53.07% of the budgeted revenue excluding capital transfers was levied.



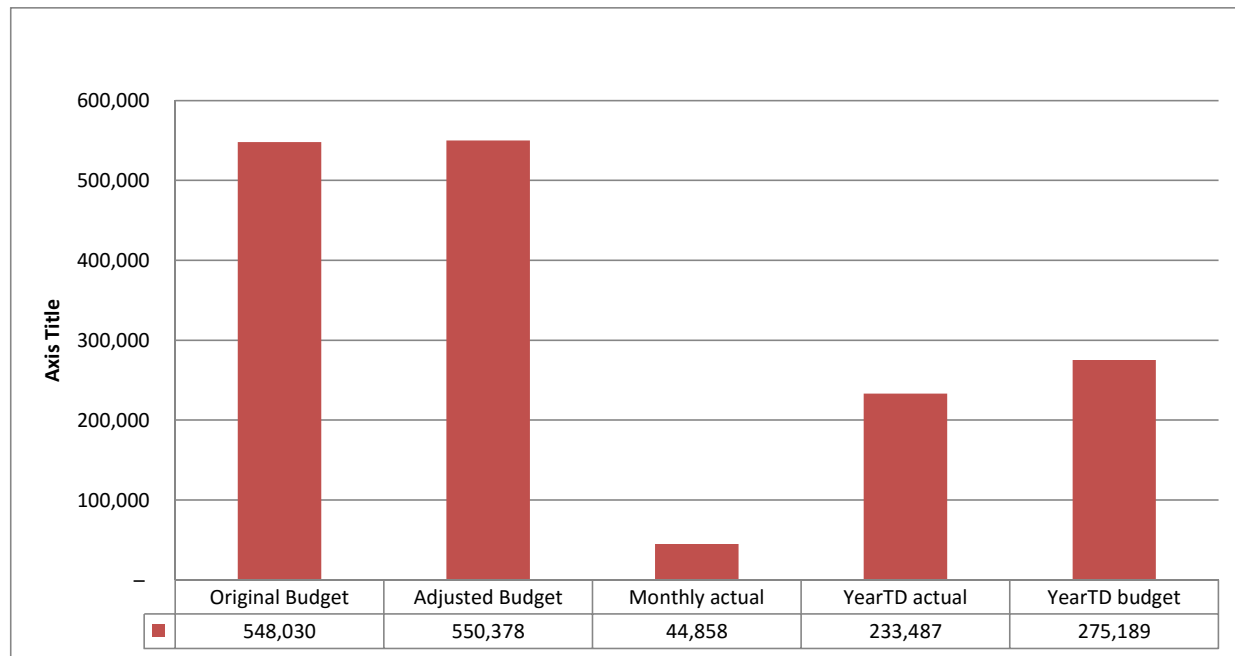
## Debits raised compared to collections



The year to date recovery rate is 93%

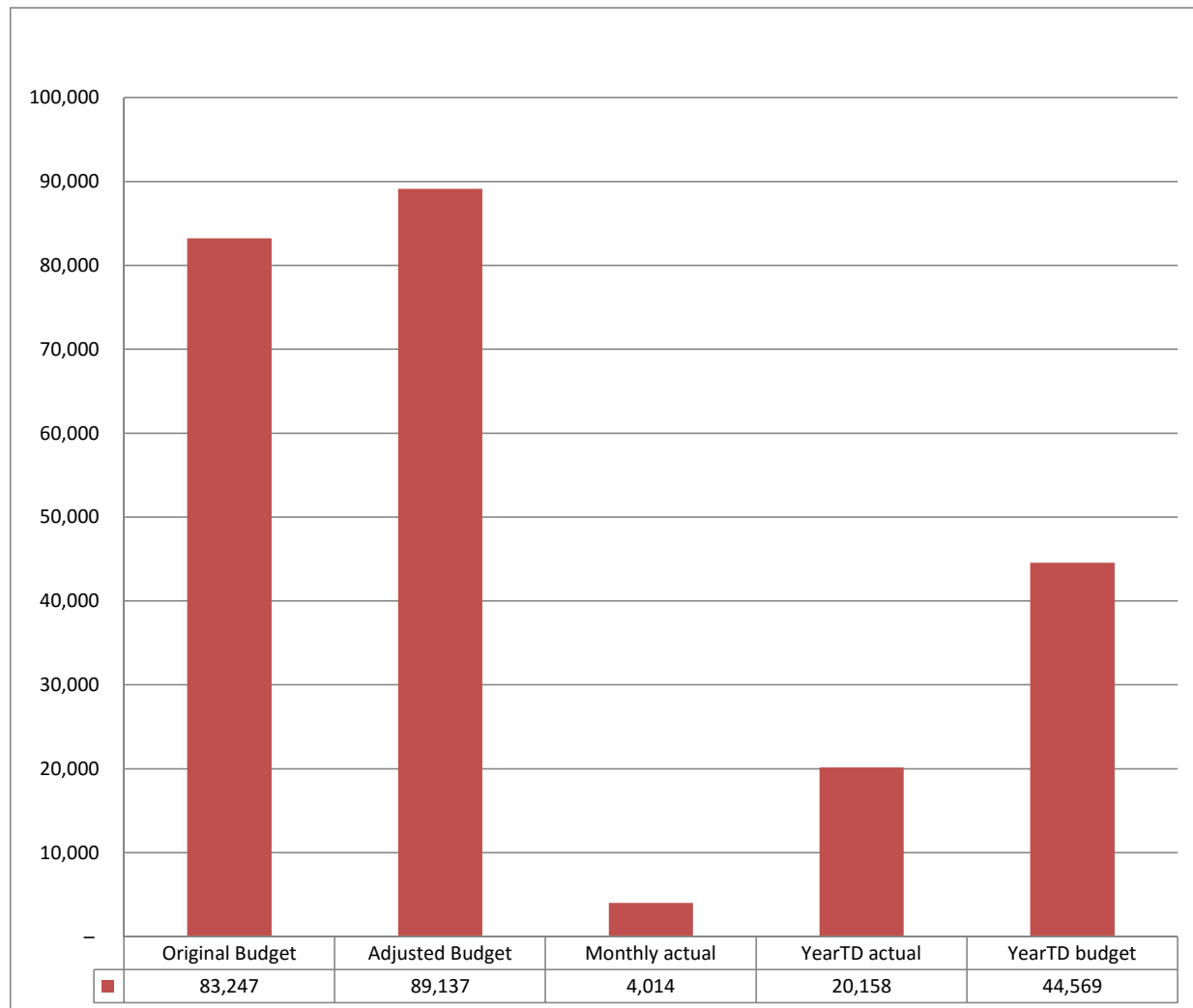
Some consumers used council's gesture to enable them to purchase electricity although their accounts are in arrears during the holiday season as an excuse to not pay their municipal accounts due in December. The collection rate for December was only 78%, forcing the year to date collection rate down to 93% from the 96% achieved at the end of November.

## TOTAL OPERATIONAL EXPENDITURE



For the period 1 July 2017 to 31 December 2017, 42.42% of the budgeted operational expenditure was incurred. This figure may increase as some invoices are still outstanding.

## CAPITAL EXPENDITURE



For the period 1 July 2017 to 31 December 2017, 22.61% of the budgeted capital expenditure was incurred.

The main contributing factors to this is the R11.7 million forecast expenditure which could not be utilised as the Department of Water affairs failed to pay over the funding. At this current moment the status of the gazetted amount is unknown, meaning that it may be possible that it will never be paid over to Witzenberg Municipality.

## In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 31 December 2017.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b><u>Financial Performance</u></b>								
Property rates	64,827	64,827	3,093	45,006	32,413	12,593	39%	64,827
Service charges	302,714	302,714	22,489	146,129	151,357	(5,228)	-3%	302,714
Investment revenue	4,565	4,565	645	3,504	2,283	1,222	54%	14,661
Transfers recognised - operational	97,846	98,571	30,315	63,488	49,285	14,203	29%	98,571
Other own revenue	42,820	42,818	5,003	14,382	21,409	(7,027)	-33%	42,818
<b>Total Revenue (excluding capital</b>	<b>512,772</b>	<b>513,495</b>	<b>61,545</b>	<b>272,510</b>	<b>256,748</b>	<b>15,762</b>	<b>6%</b>	<b>523,591</b>
Employee costs	163,628	163,805	10,774	76,703	81,902	(5,199)	-6%	163,805
Remuneration of Councillors	10,083	10,083	670	4,097	5,041	(945)	-19%	10,083
Depreciation & asset impairment	46,045	46,045	3,837	23,023	23,023	-	-	46,045
Finance charges	3,710	3,670	339	569	1,835	(1,265)	-69%	3,670
Materials and bulk purchases	201,738	201,165	13,376	81,414	100,583	(19,169)	-19%	201,165
Transfers and grants	15,763	15,738	32	9,975	7,869	2,106	27%	15,738
Other expenditure	107,063	109,872	15,830	37,707	54,936	(17,229)	-31%	109,872
<b>Total Expenditure</b>	<b>548,030</b>	<b>550,378</b>	<b>44,858</b>	<b>233,487</b>	<b>275,189</b>	<b>(41,702)</b>	<b>-15%</b>	<b>550,378</b>
<b>Surplus/(Deficit)</b>	<b>(35,258)</b>	<b>(36,883)</b>	<b>16,687</b>	<b>39,023</b>	<b>(18,442)</b>	<b>57,464</b>	<b>-312%</b>	<b>(26,787)</b>
Transfers recognised - capital	63,230	68,692	381	9,249	34,346	(25,096)	-73%	68,692
Contributions & Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp;</b>	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>	<b>32,368</b>	<b>204%</b>	<b>41,905</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>	<b>32,368</b>	<b>204%</b>	<b>41,905</b>
<b><u>Capital expenditure &amp; funds sources</u></b>								
<b>Capital expenditure</b>	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>
Capital transfers recognised	58,858	64,320	2,721	13,941	32,160	(18,219)	-57%	64,320
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	3,500	3,526	-	396	1,763	(1,367)	-78%	3,526
Internally generated funds	20,889	21,291	1,293	5,821	10,645	(4,824)	-45%	21,291
<b>Total sources of capital funds</b>	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>
<b><u>Financial position</u></b>								
Total current assets	79,257	84,962		122,876				122,876
Total non current assets	37,201	43,092		(2,849)				(2,849)
Total current liabilities	69,636	77,357		(7,587)				(7,587)
Total non current liabilities	18,851	18,889		3,019				3,019
<b>Community wealth/Equity</b>	<b>27,972</b>	<b>31,808</b>		<b>124,596</b>				<b>124,596</b>
<b><u>Cash flows</u></b>								
Net cash from (used) operating	161,618	161,618	59,147	53,854	80,809	(26,956)	-33%	161,618
Net cash from (used) investing	-	-	13,500	(17,011)	-	(17,011)	-	-
Net cash from (used) financing	3,500	3,500	(86)	(931)	1,750	(2,681)	-153%	3,500
<b>Cash/cash equivalents at the month</b>	<b>165,118</b>	<b>165,118</b>	<b>-</b>	<b>35,912</b>	<b>82,559</b>	<b>(46,647)</b>	<b>-57%</b>	<b>165,118</b>
<b>Debtors &amp; creditors analysis</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120</b>	<b>121-150</b>	<b>151-180</b>	<b>181 Dys-1</b>	<b>Over 1Yr</b>	<b>Total</b>
<b><u>Debtors Age Analysis</u></b>								
Total By Income Source	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992
<b><u>Creditors Age Analysis</u></b>								
Total Creditors	881	13	0	-	-	-	-	3,331

No historic data were available to accurately determine the monthly projections for the income and expenditure items in terms of MSCOA that was implemented from 1 July 2017 as a totally new chart of accounts was implemented. The actual monthly information for six months are now available. Revised monthly projections will be submitted to council for consideration with the adjustment budget.

The budgeted deficit for the financial year excluding capital transfer revenue is R 37 million. The deficit includes the following non cash transactions:  
 Depreciation: R 46 million  
 Provision for Rehabilitation of Landfill Sites: R2.4 million  
 Contributions to Post Employment Medical Benefits: R 10 million

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q2 Second Quarter

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<b>Revenue - Standard</b>								
<i>Governance and administration</i>	81,085	81,085	7,357	54,490	40,543	13,948	34%	81,085
Executive and council	4	4	-	-	2	(2)	-100%	4
Finance and administration	81,082	81,082	7,357	54,490	40,541	13,950	34%	81,082
Internal audit	-	-	-	-	-	-		-
<i>Community and public safety</i>	118,693	119,417	30,664	65,954	59,709	6,246	10%	119,417
Community and social services	90,126	90,850	23,804	54,238	45,425	8,813	19%	90,850
Sport and recreation	11,045	11,045	284	2,197	5,523	(3,326)	-60%	11,045
Public safety	6	6	0	1	3	(2)	-75%	6
Housing	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
Health	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	31,252	31,251	288	4,384	15,625	(11,242)	-72%	31,251
Planning and development	2,202	2,202	139	726	1,101	(375)	-34%	2,202
Road transport	29,039	29,038	150	3,658	14,519	(10,861)	-75%	29,038
Environmental protection	11	11	-	-	6	(6)	-100%	11
<i>Trading services</i>	390,117	395,580	24,990	141,638	197,790	(56,152)	-28%	395,580
Energy sources	237,351	237,351	15,507	107,822	118,675	(10,854)	-9%	237,351
Water management	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
Waste water management	47,175	49,525	2,495	15,313	24,762	(9,449)	-38%	49,525
Waste management	26,854	26,854	2,275	13,790	13,427	363	3%	26,854
<i>Other</i>	-	-	-	-	-	-		-
<b>Total Revenue - Standard</b>	<b>621,147</b>	<b>627,332</b>	<b>63,299</b>	<b>266,466</b>	<b>313,666</b>	<b>(47,200)</b>	<b>-15%</b>	<b>627,332</b>
<b>Expenditure - Standard</b>								
<i>Governance and administration</i>	116,609	116,630	9,173	48,232	58,315	(10,084)	-17%	116,630
Executive and council	24,419	24,438	1,946	10,816	12,219	(1,403)	-11%	24,438
Finance and administration	90,336	90,301	7,068	36,361	45,151	(8,790)	-19%	90,301
Internal audit	1,854	1,891	159	1,055	946	109	12%	1,891
<i>Community and public safety</i>	87,501	88,507	6,349	40,705	44,254	(3,548)	-8%	88,507
Community and social services	33,018	33,787	2,031	11,551	16,893	(5,343)	-32%	33,787
Sport and recreation	28,228	28,126	3,327	13,978	14,063	(85)	-1%	28,126
Public safety	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Housing	18,009	18,309	284	11,105	9,154	1,950	21%	18,309
Health	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	58,287	59,859	4,522	22,177	29,930	(7,753)	-26%	59,859
Planning and development	10,158	10,290	687	3,977	5,145	(1,168)	-23%	10,290
Road transport	46,473	47,898	3,733	17,620	23,949	(6,329)	-26%	47,898
Environmental protection	1,657	1,672	101	580	836	(256)	-31%	1,672
<i>Trading services</i>	329,913	329,664	26,187	131,318	164,832	(33,514)	-20%	329,664
Energy sources	225,313	225,073	15,003	87,808	112,537	(24,728)	-22%	225,073
Water management	30,429	30,427	3,189	11,505	15,214	(3,708)	-24%	30,427
Waste water management	33,671	33,667	3,913	15,874	16,834	(960)	-6%	33,667
Waste management	40,501	40,497	4,081	16,130	20,248	(4,118)	-20%	40,497
<i>Other</i>	864	862	2	400	431	(31)	-7%	862
<b>Total Expenditure - Standard</b>	<b>593,175</b>	<b>595,524</b>	<b>46,232</b>	<b>242,831</b>	<b>297,762</b>	<b>(54,930)</b>	<b>-18%</b>	<b>595,524</b>
<b>Surplus/ (Deficit) for the year</b>	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>23,635</b>	<b>15,904</b>	<b>7,730</b>	<b>49%</b>	<b>31,809</b>

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q2 Second Quarter

Description	Budget Year 2017/18							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
<b>Revenue - Standard</b>								
<i>Municipal governance and administration</i>	81,085	81,085	7,357	54,490	40,543	13,948	34%	81,085
Executive and council	4	4	-	-	2	(2)	-100%	4
Mayor and Council	0	0	-	-	0	(0)	-100%	0
Municipal Manager	4	4	-	-	2	(2)	-100%	4
Finance and administration	81,082	81,082	7,357	54,490	40,541	13,950	34%	81,082
<i>Administrative and Corporate Support</i>	2,832	2,832	-	-	1,416	(1,416)	-100%	2,832
Asset Management	-	-	-	-	-	-	-	-
Budget and Treasury Office	4,802	4,802	3,428	4,765	2,401	2,364	98%	4,802
Finance	72,816	72,816	3,927	49,708	36,408	13,300	37%	72,816
Fleet Management	36	36	-	-	18	(18)	-100%	36
Human Resources	574	574	-	-	287	(287)	-100%	574
Information Technology	0	0	-	-	0	(0)	-100%	0
Legal Services	1	1	-	-	1	(1)	-100%	1
Marketing, Customer Relations, Publicity and Media	4	4	-	-	2	(2)	-100%	4
Property Services	2	2	-	-	1	(1)	-100%	2
Risk Management	-	-	-	-	-	-	-	-
Security Services	-	-	-	-	-	-	-	-
Supply Chain Management	15	15	1	18	8	10	131%	15
Valuation Service	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-
Governance Function	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	118,693	119,417	30,664	65,954	59,709	6,246	10%	119,417
Community and social services	90,126	90,850	23,804	54,238	45,425	8,813	19%	90,850
Aged Care	80,496	80,496	23,723	53,862	40,248	13,614	34%	80,496
Agricultural	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	238	238	21	132	119	13	11%	238
Child Care Facilities	-	-	-	-	-	-	-	-
Community Halls and Facilities	745	1,045	57	202	522	(320)	-61%	1,045
Consumer Protection	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-
Disaster Management	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Indigenous and Customary Law	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-
Libraries and Archives	8,647	9,071	4	43	4,536	(4,493)	-99%	9,071
Literacy Programmes	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-
<i>Sport and recreation</i>	11,045	11,045	284	2,197	5,523	(3,326)	-60%	11,045
Beaches and Jetties	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)	561	561	-	-	281	(281)	-100%	561
Recreational Facilities	9,761	9,761	282	2,153	4,881	(2,728)	-56%	9,761
Sports Grounds and Stadiums	723	723	2	43	361	(318)	-88%	723

Description	Budget Year 2017/18							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>								
Public safety	6	6	0	1	3	(2)	-75%	6
<i>Fire Fighting and Protection</i>	6	6	0	1	3	(2)	-75%	6
<i>Licensing and Control of Animals</i>	-	-	-	-	-	-		-
Housing	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
<i>Housing</i>	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
<i>Informal Settlements</i>	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	<b>31,252</b>	<b>31,251</b>	<b>288</b>	<b>4,384</b>	<b>15,625</b>	<b>(11,242)</b>	<b>-72%</b>	<b>31,251</b>
Planning and development	2,202	2,202	139	726	1,101	(375)	-34%	2,202
<i>Billboards</i>	-	-	-	-	-	-		-
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	10	10	-	-	5	(5)	-100%	10
<i>Central City Improvement District</i>	-	-	-	-	-	-		-
<i>Development Facilitation</i>	-	-	-	-	-	-		-
<i>Economic Development/Planning</i>	-	-	-	-	-	-		-
<i>Regional Planning and Development</i>	-	-	-	-	-	-		-
<i>Town Planning, Building Regulations and Enforcement</i>	1,650	1,650	139	726	825	(99)	-12%	1,650
<i>Project Management Unit</i>	542	542	-	-	271	(271)	-100%	542
<i>Provincial Planning</i>	-	-	-	-	-	-		-
<i>Support to Local Municipalities</i>	-	-	-	-	-	-		-
Road transport	29,039	29,038	150	3,658	14,519	(10,861)	-75%	29,038
<i>Police Forces, Traffic and Street Parking Control</i>	18,338	18,337	158	1,148	9,168	(8,021)	-87%	18,337
<i>Pounds</i>	-	-	-	-	-	-		-
<i>Public Transport</i>	-	-	-	-	-	-		-
<i>Road and Traffic Regulation</i>	-	-	-	-	-	-		-
<i>Roads</i>	10,701	10,701	(8)	2,510	5,350	(2,840)	-53%	10,701
<i>Taxi Ranks</i>	-	-	-	-	-	-		-
Environmental protection	11	11	-	-	6	(6)	-100%	11
<i>Biodiversity and Landscape</i>	11	11	-	-	6	(6)	-100%	11
<i>Coastal Protection</i>	-	-	-	-	-	-		-
<i>Indigenous Forests</i>	-	-	-	-	-	-		-
<i>Nature Conservation</i>	-	-	-	-	-	-		-
<i>Pollution Control</i>	-	-	-	-	-	-		-
<i>Soil Conservation</i>	-	-	-	-	-	-		-
<i>Trading services</i>	<b>390,117</b>	<b>395,580</b>	<b>24,990</b>	<b>141,638</b>	<b>197,790</b>	<b>(56,152)</b>	<b>-28%</b>	<b>395,580</b>
Energy sources	237,351	237,351	15,507	107,822	118,675	(10,854)	-9%	237,351
<i>Electricity</i>	230,894	230,894	15,202	105,667	115,447	(9,780)	-8%	230,894
<i>Street Lighting and Signal Systems</i>	6,457	6,457	305	2,154	3,228	(1,074)	-33%	6,457
<i>Nonelectric Energy</i>	-	-	-	-	-	-		-
Water management	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
<i>Water Treatment</i>	-	-	-	-	-	-		-
<i>Water Distribution</i>	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
<i>Water Storage</i>	-	-	-	-	-	-		-
Waste water management	47,175	49,525	2,495	15,313	24,762	(9,449)	-38%	49,525
<i>Public Toilets</i>	0	0	-	-	0	(0)	-100%	0
<i>Sewerage</i>	41,165	43,515	2,495	15,313	21,757	(6,444)	-30%	43,515
<i>Storm Water Management</i>	6,010	6,010	-	-	3,005	(3,005)	-100%	6,010
<i>Waste Water Treatment</i>	-	-	-	-	-	-		-
Waste management	26,854	26,854	2,275	13,790	13,427	363	3%	26,854
<i>Recycling</i>	-	-	-	-	-	-		-
<i>Solid Waste Disposal (Landfill Sites)</i>	36	36	-	-	18	(18)	-100%	36
<i>Solid Waste Removal</i>	26,818	26,818	2,275	13,790	13,409	381	3%	26,818
<i>Street Cleaning</i>	-	-	-	-	-	-		-

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q2 Second Quarter

Description	Budget Year 2017/18						YTD variance %	Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
<b>R thousands</b>								
<b>Expenditure - Standard</b>								
<b>Municipal governance and administration</b>	<b>116,609</b>	<b>116,630</b>	<b>9,173</b>	<b>48,232</b>	<b>58,315</b>	<b>(10,084)</b>	<b>-17%</b>	<b>116,630</b>
Executive and council	24,419	24,438	1,946	10,816	12,219	(1,403)	-11%	24,438
Mayor and Council	15,162	15,185	1,264	6,309	7,592	(1,283)	-17%	15,185
Municipal Manager, Town Secretary and Chief Execut	9,257	9,253	682	4,507	4,626	(120)	-3%	9,253
Finance and administration	90,336	90,301	7,068	36,361	45,151	(8,790)	-19%	90,301
Administrative and Corporate Support	9,039	9,626	1,139	4,659	4,813	(154)	-3%	9,626
Asset Management	5,149	5,149	0	45	2,575	(2,529)	-98%	5,149
Budget and Treasury Office	16,725	15,849	1,966	6,604	7,924	(1,320)	-17%	15,849
Finance	18,079	18,079	2,372	7,022	9,039	(2,018)	-22%	18,079
Fleet Management	2,939	2,929	152	736	1,465	(728)	-50%	2,929
Human Resources	18,169	17,969	(620)	8,933	8,985	(51)	-1%	17,969
Information Technology	3,616	4,376	227	1,417	2,188	(771)	-35%	4,376
Legal Services	2,508	2,218	318	1,001	1,109	(108)	-10%	2,218
Marketing, Customer Relations, Publicity and Media	3,401	3,406	322	1,415	1,703	(288)	-17%	3,406
Property Services	3,361	3,351	250	1,523	1,676	(153)	-9%	3,351
Risk Management	384	384	-	3	192	(188)	-98%	384
Security Services	-	-	-	-	-	-	-	-
Supply Chain Management	5,433	5,433	524	2,481	2,716	(236)	-9%	5,433
Valuation Service	1,532	1,532	418	521	766	(245)	-32%	1,532
Internal audit	1,854	1,891	159	1,055	946	109	12%	1,891
Governance Function	1,854	1,891	159	1,055	946	109	12%	1,891
<b>Community and public safety</b>	<b>87,501</b>	<b>88,507</b>	<b>6,349</b>	<b>40,705</b>	<b>44,254</b>	<b>(3,548)</b>	<b>-8%</b>	<b>88,507</b>
Community and social services	33,018	33,787	2,031	11,551	16,893	(5,343)	-32%	33,787
Aged Care	12,554	12,805	476	2,625	6,402	(3,777)	-59%	12,805
Agricultural	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	2,922	2,907	217	1,296	1,453	(157)	-11%	2,907
Child Care Facilities	722	722	-	26	361	(335)	-93%	722
Community Halls and Facilities	5,886	5,991	519	2,838	2,996	(158)	-5%	5,991
Consumer Protection	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-
Disaster Management	53	53	5	13	26	(14)	-52%	53
Education	619	619	-	8	310	(302)	-98%	619
Indigenous and Customary Law	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-
Libraries and Archives	10,262	10,689	814	4,745	5,345	(600)	-11%	10,689
Literacy Programmes	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-
Sport and recreation	28,228	28,126	3,327	13,978	14,063	(85)	-1%	28,126
Beaches and Jetties	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)	7,175	7,175	583	3,158	3,588	(430)	-12%	7,175
Recreational Facilities	16,095	15,992	2,305	8,314	7,996	318	4%	15,992
Sports Grounds and Stadiums	4,958	4,958	439	2,506	2,479	27	1%	4,958
Public safety	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Fire Fighting and Protection	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Licensing and Control of Animals	-	-	-	-	-	-	-	-
Housing	18,009	18,309	284	11,105	9,154	1,950	21%	18,309
Housing	16,509	16,788	284	11,090	8,394	2,696	32%	16,788
Informal Settlements	1,500	1,521	-	15	761	(745)	-98%	1,521



Description	Budget Year 2017/18						YTD variance %	Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
<b>R thousands</b>								
<b>Economic and environmental services</b>	<b>58,287</b>	<b>59,859</b>	<b>4,522</b>	<b>22,177</b>	<b>29,930</b>	<b>(7,753)</b>	<b>-26%</b>	<b>59,859</b>
Planning and development	10,158	10,290	687	3,977	5,145	(1,168)	-23%	10,290
Billboards	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)	2,191	2,180	161	856	1,090	(234)	-21%	2,180
Central City Improvement District	-	-	-	-	-	-	-	-
Development Facilitation	-	-	-	-	-	-	-	-
Economic Development/Planning	2,087	2,267	110	598	1,133	(535)	-47%	2,267
Regional Planning and Development	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement	3,565	3,565	294	1,770	1,783	(13)	-1%	3,565
Project Management Unit	2,315	2,278	123	753	1,139	(386)	-34%	2,278
Provincial Planning	-	-	-	-	-	-	-	-
Support to Local Municipalities	-	-	-	-	-	-	-	-
Road transport	46,473	47,898	3,733	17,620	23,949	(6,329)	-26%	47,898
Police Forces, Traffic and Street Parking Control	24,339	24,464	1,501	7,091	12,232	(5,141)	-42%	24,464
Pounds	-	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-
Road and Traffic Regulation	-	-	-	-	-	-	-	-
Roads	22,134	23,434	2,233	10,529	11,717	(1,188)	-10%	23,434
Taxi Ranks	-	-	-	-	-	-	-	-
Environmental protection	1,657	1,672	101	580	836	(256)	-31%	1,672
Biodiversity and Landscape	1,657	1,672	27	136	836	(700)	-84%	1,672
Coastal Protection	-	-	-	-	-	-	-	-
Indigenous Forests	-	-	-	-	-	-	-	-
Nature Conservation	-	-	-	-	-	-	-	-
Pollution Control	-	-	74	444	-	444	-	-
Soil Conservation	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>329,913</b>	<b>329,664</b>	<b>26,187</b>	<b>131,318</b>	<b>164,832</b>	<b>(33,514)</b>	<b>-20%</b>	<b>329,664</b>
Energy sources	225,313	225,073	15,003	87,808	112,537	(24,728)	-22%	225,073
Electricity	217,699	217,459	14,832	86,364	108,730	(22,366)	-21%	217,459
Street Lighting and Signal Systems	7,614	7,614	170	1,445	3,807	(2,363)	-62%	7,614
Nonelectric Energy	-	-	-	-	-	-	-	-
Water management	30,429	30,427	3,189	11,505	15,214	(3,708)	-24%	30,427
Water Treatment	1,365	1,365	2	18	683	(665)	-97%	1,365
Water Distribution	25,680	25,678	2,990	9,635	12,839	(3,205)	-25%	25,678
Water Storage	3,383	3,383	197	1,853	1,692	161	10%	3,383
Waste water management	33,671	33,667	3,913	15,874	16,834	(960)	-6%	33,667
Public Toilets	1,550	1,550	127	659	775	(116)	-15%	1,550
Sewerage	24,625	24,626	3,252	12,479	12,313	166	1%	24,626
Storm Water Management	5,329	5,324	530	2,711	2,662	49	2%	5,324
Waste Water Treatment	2,167	2,167	4	25	1,084	(1,059)	-98%	2,167
Waste management	40,501	40,497	4,081	16,130	20,248	(4,118)	-20%	40,497
Recycling	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)	13,936	13,932	1,063	5,461	6,966	(1,505)	-22%	13,932
Solid Waste Removal	25,404	25,404	2,922	10,145	12,702	(2,557)	-20%	25,404
Street Cleaning	1,161	1,161	96	524	581	(56)	-10%	1,161
Other	864	862	2	400	431	(31)	-7%	862
Licensing and Regulation	97	95	2	16	47	(31)	-66%	95
Tourism	767	767	0	384	384	-	-	767
<b>Total Expenditure - Functional</b>	<b>593,175</b>	<b>595,524</b>	<b>46,232</b>	<b>242,831</b>	<b>297,762</b>	<b>(54,930)</b>	<b>-18%</b>	<b>595,524</b>
<b>Surplus/ (Deficit) for the year</b>	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>23,635</b>	<b>15,904</b>	<b>7,730</b>	<b>49%</b>	<b>31,809</b>

The table provides detail of revenue and expenditure according to municipal votes.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>Revenue by Vote</u></b>									
Vote 1 - Financial Services	–	74,641	74,641	7,151	53,322	37,320	16,002	42.9%	74,641
Vote 2 - Community Services	–	137,581	138,304	30,857	67,315	69,152	(1,837)	-2.7%	138,304
Vote 3 - Corporate Services	–	3,506	3,506	–	–	1,753	(1,753)	-100.0%	3,506
Vote 4 - Technical Services	–	404,086	409,548	25,263	170,200	204,774	(34,574)	-16.9%	409,548
Vote 5 - Municipal Manager	–	1,333	1,333	29	266	667	(401)	-60.1%	1,333
<b>Total Revenue by Vote</b>	–	<b>621,147</b>	<b>627,332</b>	<b>63,299</b>	<b>291,103</b>	<b>313,666</b>	<b>(22,563)</b>	<b>-7.2%</b>	<b>627,332</b>
<b><u>Expenditure by Vote</u></b>									
Vote 1 - Financial Services	–	48,438	47,561	5,411	17,535	23,781	(6,245)	-26.3%	47,561
Vote 2 - Community Services	–	116,832	118,050	8,144	49,564	59,025	(9,461)	-16.0%	118,050
Vote 3 - Corporate Services	–	55,927	56,959	2,739	25,652	28,479	(2,828)	-9.9%	56,959
Vote 4 - Technical Services	–	359,932	361,217	28,982	145,119	180,609	(35,489)	-19.6%	361,217
Vote 5 - Municipal Manager	–	12,047	11,736	957	4,961	5,868	(907)	-15.5%	11,736
<b>Total Expenditure by Vote</b>	–	<b>593,175</b>	<b>595,524</b>	<b>46,232</b>	<b>242,831</b>	<b>297,762</b>	<b>(54,930)</b>	<b>-18.4%</b>	<b>595,524</b>
<b>Surplus/ (Deficit) for the year</b>	–	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>	<b>32,368</b>	<b>203.5%</b>	<b>31,809</b>

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	–	64,827	64,827	3,093	45,006	32,413	12,593	39%	64,827
Service charges - electricity revenue	–	219,007	219,007	14,339	100,033	109,503	(9,470)	-9%	219,007
Service charges - water revenue	–	41,086	41,086	4,005	20,670	20,543	127	1%	41,086
Service charges - sanitation revenue	–	20,933	20,933	2,166	13,744	10,466	3,278	31%	20,933
Service charges - refuse revenue	–	21,689	21,689	1,979	11,681	10,844	837	8%	21,689
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	–	9,650	9,650	264	1,876	4,825	(2,949)	-61%	9,650
Interest earned - external investments	–	4,565	4,565	645	3,504	2,283	1,222	54%	4,565
Interest earned - outstanding debtors	–	10,096	10,096	643	5,259	5,048	211	4%	10,096
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	14,668	14,668	75	470	7,334	(6,864)	-94%	14,668
Licences and permits	–	154	152	105	831	76	754	990%	152
Agency services	–	4,614	4,614	–	–	2,307	(2,307)	-100%	4,614
Transfers recognised - operational	–	97,846	98,571	30,315	63,488	49,285	14,203	29%	98,571
Other revenue	–	3,637	3,637	3,915	5,947	1,819	4,128	227%	3,637
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	–	<b>512,772</b>	<b>513,495</b>	<b>61,545</b>	<b>272,510</b>	<b>256,748</b>	<b>15,762</b>	<b>6%</b>	<b>513,495</b>
<b>Expenditure By Type</b>									
Employee related costs	–	163,628	163,805	10,774	76,703	81,902	(5,199)	-6%	163,805
Remuneration of councillors	–	10,083	10,083	670	4,097	5,041	(945)	-19%	10,083
Debt impairment	–	27,125	27,125	6,523	6,693	13,562	(6,870)	-51%	27,125
Depreciation & asset impairment	–	46,045	46,045	3,837	23,023	23,023	–	–	46,045
Finance charges	–	3,710	3,670	339	569	1,835	(1,265)	-69%	3,670
Bulk purchases	–	183,215	182,975	12,231	73,820	91,488	(17,668)	-19%	182,975
Other materials	–	18,523	18,190	1,144	7,594	9,095	(1,501)	-17%	18,190
Contracted services	–	38,605	39,816	6,204	15,036	19,908	(4,873)	-24%	39,816
Transfers and grants	–	15,763	15,738	32	9,975	7,869	2,106	27%	15,738
Other expenditure	–	41,333	42,931	3,102	15,978	21,465	(18,716)	-87%	42,931
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	–	<b>548,030</b>	<b>550,378</b>	<b>44,858</b>	<b>233,487</b>	<b>275,189</b>	<b>(41,702)</b>	<b>-15%</b>	<b>550,378</b>
<b>Surplus/(Deficit)</b>	–	<b>(35,258)</b>	<b>(36,883)</b>	<b>16,687</b>	<b>39,023</b>	<b>(18,442)</b>	<b>57,464</b>	<b>(0)</b>	<b>(36,883)</b>
Transfers recognised - capital	–	63,230	68,692	381	9,249	34,346	(25,096)	(0)	68,692
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	–	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>			<b>31,809</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	–	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>			<b>31,809</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to</b>	–	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>			<b>31,809</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	–	<b>27,972</b>	<b>31,809</b>	<b>17,068</b>	<b>48,272</b>	<b>15,904</b>			<b>31,809</b>

The revenue and expenditure figures excludes internal charges.

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q2 Second Quarter

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>Multi-Year expenditure appropriation</u></b>									
Vote 1 - Financial Services	-	-	-	-	-	-	-		-
Vote 2 - Community Services	-	-	-	-	-	-	-		-
Vote 3 - Corporate Services	-	-	-	-	-	-	-		-
Vote 4 - Technical Services	-	22,442	24,217	1,363	8,265	12,109	(3,843)	-32%	24,217
Vote 5 - Muncipal Manager	-	-	-	-	-	-	-		-
<b>Total Capital Multi-year expenditure</b>	-	22,442	24,217	1,363	8,265	12,109	(3,843)	-32%	24,217
<b><u>Single Year expenditure appropriation</u></b>									
Vote 1 - Financial Services	-	180	180	7	42	90	(48)	-53%	180
Vote 2 - Community Services	-	3,695	5,863	265	1,330	2,932	(1,601)	-55%	5,863
Vote 3 - Corporate Services	-	1,972	2,022	-	330	1,011	(681)	-67%	2,022
Vote 4 - Technical Services	-	54,903	56,800	2,378	10,190	28,400	(18,210)	-64%	56,800
Vote 5 - Muncipal Manager	-	55	55	-	-	28	(28)	-100%	55
<b>Total Capital single-year expenditure</b>	-	60,805	64,920	2,651	11,893	32,460	(20,567)	-63%	64,920
<b>Total Capital Expenditure</b>	-	83,247	89,137	4,014	20,158	44,569	(24,410)	-55%	89,137

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q2 Second Quarter

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Capital Expenditure - Standard Classification</b>									
<i>Governance and administration</i>	–	2,304	2,354	7	376	1,177	(801)	-68%	2,354
Executive and council	–	295	295	–	18	148	(130)	-88%	295
Finance and administration	–	2,009	2,059	7	358	1,030	(671)	-65%	2,059
Internal audit	–	–	–	–	–	–	–		–
<i>Community and public safety</i>	–	3,495	3,695	265	1,326	1,848	(522)	-28%	3,695
Community and social services	–	535	543	111	222	271	(50)	-18%	543
Sport and recreation	–	2,260	2,452	154	1,104	1,226	(122)	-10%	2,452
Public safety	–	500	500	–	–	250	(250)	-100%	500
Housing	–	200	200	–	–	100	(100)	-100%	200
Health	–	–	–	–	–	–	–		–
<i>Economic and environmental service.</i>	–	17,050	16,098	93	2,985	8,049	(5,064)	-63%	16,098
Planning and development	–	20	20	–	–	10	(10)	-100%	20
Road transport	–	17,030	16,078	93	2,985	8,039	(5,054)	-63%	16,078
Environmental protection	–	–	–	–	–	–	–		–
<i>Trading services</i>	–	60,398	66,990	3,649	15,472	33,495	(18,023)	-54%	66,990
Energy sources	–	3,327	3,327	290	1,374	1,664	(290)	-17%	3,327
Water management	–	31,597	36,695	1,503	8,934	18,348	(9,413)	-51%	36,695
Waste water management	–	22,169	23,662	1,678	4,836	11,831	(6,995)	-59%	23,662
Waste management	–	3,305	3,305	177	327	1,652	(1,325)	-80%	3,305
<i>Other</i>	–	–	–	–	–	–	–		–
<b>Total Capital Expenditure - Standard Classification</b>	–	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>
<b>Funded by:</b>									
National Government	–	31,226	31,226	2,675	13,468	15,613	(2,146)	-14%	31,226
Provincial Government	–	27,632	33,094	46	473	16,547	(16,074)	-97%	33,094
District Municipality	–	–	–	–	–	–	–		–
Other transfers and grants	–	–	–	–	–	–	–		–
Transfers recognised - capital	–	58,858	64,320	2,721	13,941	32,160	(18,219)	-57%	64,320
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	3,500	3,526	–	396	1,763	(1,367)	-78%	3,526
Internally generated funds	–	20,889	21,291	1,293	5,821	10,645	(4,824)	-45%	21,291
<b>Total Capital Funding</b>	–	<b>83,247</b>	<b>89,137</b>	<b>4,014</b>	<b>20,158</b>	<b>44,569</b>	<b>(24,410)</b>	<b>-55%</b>	<b>89,137</b>

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	2016/17	Budget Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	–	93,458	98,966	88,297	88,297
Call investment deposits	–	(0)	(0)	17,000	17,000
Consumer debtors	–	(30,388)	(16,707)	10,772	10,772
Other debtors	–	13,682	–	9,024	9,024
Current portion of long-term receivables	–	–	–	–	–
Inventory	–	2,505	2,703	(2,216)	(2,216)
<b>Total current assets</b>	–	<b>79,257</b>	<b>84,962</b>	<b>122,876</b>	<b>122,876</b>
<b>Non current assets</b>					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	(596)	(596)	(298)	(298)
Investments in Associate	–	–	–	–	–
Property, plant and equipment	–	37,866	43,757	(2,469)	(2,469)
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	(69)	(69)	(81)	(81)
Other non-current assets	–	–	–	–	–
<b>Total non current assets</b>	–	<b>37,201</b>	<b>43,092</b>	<b>(2,849)</b>	<b>(2,849)</b>
<b>TOTAL ASSETS</b>	–	<b>116,458</b>	<b>128,054</b>	<b>120,027</b>	<b>120,027</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	–	–	–	427	427
Trade and other payables	–	61,739	69,073	(8,955)	(8,955)
Provisions	–	7,897	8,284	941	941
<b>Total current liabilities</b>	–	<b>69,636</b>	<b>77,357</b>	<b>(7,587)</b>	<b>(7,587)</b>
<b>Non current liabilities</b>					
Borrowing	–	6,324	6,362	(1,530)	(1,530)
Provisions	–	12,527	12,527	4,549	4,549
<b>Total non current liabilities</b>	–	<b>18,851</b>	<b>18,889</b>	<b>3,019</b>	<b>3,019</b>
<b>TOTAL LIABILITIES</b>	–	<b>88,487</b>	<b>96,246</b>	<b>(4,569)</b>	<b>(4,569)</b>
<b>NET ASSETS</b>	–	<b>27,972</b>	<b>31,808</b>	<b>124,596</b>	<b>124,596</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	–	27,972	31,808	124,596	124,596
Reserves	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	–	<b>27,972</b>	<b>31,808</b>	<b>124,596</b>	<b>124,596</b>

The cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	-	61,689	61,689	(22)	14,527	30,845	(16,318)	-53%	61,689
Government - operating	-	291,601	291,601	7,167	162,821	145,800	17,021	12%	291,601
Government - capital	-	17,246	17,246	197	55,662	8,623	47,039	545%	17,246
Interest	-	97,846	97,846	24,138	60,898	48,923	11,975	24%	97,846
Dividends	-	63,230	63,230	11,257	23,870	31,615	(7,744)	-24%	63,230
<b>Payments</b>									
Suppliers and employees	-	-	-	-	-	-	-		-
Finance charges	-	-	-	-	-	-	-		-
Transfers and Grants	-	(369,994)	(369,994)	16,410	(263,925)	(184,997)	78,928	-43%	(369,994)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	-	<b>161,618</b>	<b>161,618</b>	<b>59,147</b>	<b>53,854</b>	<b>80,809</b>	<b>(26,956)</b>	<b>-33%</b>	<b>161,618</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-		-
<b>Payments</b>									
Capital assets	-	-	-	13,500	(17,011)	-	17,011		-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	-	-	-	<b>13,500</b>	<b>(17,011)</b>	-	<b>17,011</b>		-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	3,500	3,500	-	-	1,750	(1,750)	-100%	3,500
Increase (decrease) in consumer deposits	-	-	-	23	91	-	91		-
<b>Payments</b>									
Repayment of borrowing	-	-	-	(109)	(1,022)	-	1,022		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	-	<b>3,500</b>	<b>3,500</b>	<b>(86)</b>	<b>(931)</b>	<b>1,750</b>	<b>2,681</b>	<b>153%</b>	<b>3,500</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	-	<b>165,118</b>	<b>165,118</b>	<b>72,561</b>	<b>35,912</b>	<b>82,559</b>			<b>165,118</b>
Cash/cash equivalents at beginning:	-	-	-		-	-			-
Cash/cash equivalents at month/year end:	-	165,118	165,118		35,912	82,559			165,118

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2017/18									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	6,889	1,523	1,382	948	932	931	5,047	41,839	59,490	49,697
Electricity	1300	12,308	675	737	287	254	184	859	2,464	17,766	4,047
Property Rates	1400	3,684	217	180	156	2,812	129	692	12,818	20,686	16,606
Waste Water Management	1500	3,287	619	573	527	499	456	2,604	19,021	27,586	23,107
Waste Management	1600	3,320	810	675	675	632	456	2,407	23,251	32,226	27,421
Property Rental Debtors	1700	45	18	17	74	16	16	93	997	1,275	1,196
Interest on Arrear Accounts	1810	69	64	85	81	96	108	946	31,872	33,322	33,103
Recoverable expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	(2,973)	72	42	45	25	104	168	1,157	(1,360)	1,500
Total By Income Source	2000	26,627	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992	156,677
2016/17 - totals only										–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	1,947	696	558	136	505	70	108	2,380	6,400	3,199
Commercial	2300	11,254	249	218	267	1,083	225	930	6,329	20,555	8,833
Households	2400	12,161	2,821	2,679	2,194	2,670	1,917	10,632	117,085	152,159	134,498
Other	2500	1,264	232	236	195	1,008	172	1,146	7,626	11,878	10,147
Total By Customer Group	2600	26,627	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992	156,677

Some consumers used council's gesture to enable them to purchase electricity although their accounts are in arrears during the holiday season as an excuse to not pay their municipal accounts due in December. The collection rate for December was only 78%, forcing the year to date collection rate down to 93% from the 96% achieved at the end of November.



The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2 Second Quarter

Investments by maturity Name of institution & investment ID  R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
<b><u>Municipality</u></b>								
ABSA	-	-	-	-		-	-	-
Investec	-	-	-	-		-	-	-
Nedbank	-	-	-	-		-	-	-
Standard Bank	-	-	-	-		-	-	17,000
	-	-	-	-		-	-	-
	-	-	-	-		-	-	-
<b>Municipality sub-total</b>				-		-	-	17,000
<b><u>Entities</u></b>								
<b>Entities sub-total</b>				-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>				-		-	-	17,000

Operating and Capital transfers received are indicated in the following table:

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	Budget Year 2017/18							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>RECEIPTS:</u></b>	1,2								
<b><u>Operating Transfers and Grants</u></b>									
<b>National Government:</b>		<b>73,960</b>	<b>73,960</b>	<b>23,748</b>	<b>53,988</b>	<b>36,980</b>	<b>17,008</b>	<b>46.0%</b>	<b>73,960</b>
Equitable Share		70,412	70,412	23,470	52,809	35,206	17,603	50.0%	70,412
Local Government Financial Management Grant [Sche		1,550	1,550	27	167	775	(608)	-78.4%	1,550
Expanded Public Works Programme Integrated Grant f		1,485	1,485	251	1,012	743	269	36.2%	1,485
Municipal Infrastructure Grant [Schedule 5B]		513	513	-	-	257	(257)	-100.0%	513
		-	-	-	-	-	-		-
	3	-	-	-	-	-	-		-
<b>Provincial Government:</b>		<b>23,886</b>	<b>24,311</b>	<b>6,567</b>	<b>11,109</b>	<b>12,155</b>	<b>(1,047)</b>	<b>-8.6%</b>	<b>24,311</b>
Human Settlement Development		14,328	14,328	6,565	9,459	7,164	2,295	32.0%	14,328
Financial Management		240	240	-	-	120	(120)	-100.0%	240
Replacement Funding for most vulnerable B3 municip		5,450	5,874	-	1,608	2,937	(1,329)	-45.3%	5,874
Library Service Conditional Grant	4	2,600	2,600	-	-	1,300	(1,300)	-100.0%	2,600
Community Development Workers		148	148	2	41	74	(33)	-44.4%	148
Regional Socio-economic Project/Violence Preventio		1,000	1,000	-	-	500	(500)	-100.0%	1,000
<i>Maintenance of Main Roads</i>		120	120	-	-	60	(60)	-100.0%	120
<b>Total Operating Transfers and Grants</b>	5	<b>97,846</b>	<b>98,271</b>	<b>30,315</b>	<b>65,096</b>	<b>49,135</b>	<b>15,961</b>	<b>32.5%</b>	<b>98,271</b>
<b><u>Capital Transfers and Grants</u></b>									
<b>National Government:</b>		<b>35,598</b>	<b>35,598</b>	<b>375</b>	<b>9,220</b>	<b>17,799</b>	<b>(8,579)</b>	<b>-48.2%</b>	<b>35,598</b>
Municipal Infrastructure Grant [Schedule 5B]		22,226	22,226	366	9,212	11,113	(1,901)	-17.1%	22,226
Regional Bulk Infrastructure Grant (Schedule 5B)		13,372	13,372	9	9	6,686	(6,677)	-99.9%	13,372
Integrated National Electrification Programme (Mun		-	-	-	-	-	-		-
<b>Provincial Government:</b>		<b>27,632</b>	<b>32,632</b>	<b>6</b>	<b>29</b>	<b>16,316</b>	<b>(16,287)</b>	<b>-99.8%</b>	<b>32,632</b>
<i>Human Settlement</i>		<b>27,632</b>	<b>32,632</b>	<b>6</b>	<b>29</b>	<b>16,316</b>	<b>(16,287)</b>	<b>-99.8%</b>	<b>32,632</b>
		-	-	-	-	-	-		-
<b>Total Capital Transfers and Grants</b>	5	<b>63,230</b>	<b>68,230</b>	<b>381</b>	<b>9,249</b>	<b>34,115</b>	<b>(24,865)</b>	<b>-72.9%</b>	<b>68,230</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>161,076</b>	<b>166,500</b>	<b>30,696</b>	<b>74,346</b>	<b>83,250</b>	<b>(8,904)</b>	<b>-10.7%</b>	<b>166,500</b>

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	Budget Year 2017/18							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>EXPENDITURE</u>									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:		73,960	73,915	3,536	19,280	36,958	(17,677)	-47.8%	73,915
Equitable Share		70,412	70,367	3,309	18,114	35,184	(17,069)	-48.5%	70,367
Local Government Financial Management Grant [Sche		1,550	1,550	27	161	775	(614)	-79.2%	1,550
Expanded Public Works Programme Integrated Grant f		1,485	1,485	200	1,005	743	263	35.4%	1,485
Municipal Infrastructure Grant [Schedule 5B]		513	513	–	–	257	(257)	-100.0%	513
		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–
Provincial Government:		43,284	48,284	40	9,511	24,142	(14,631)	-60.6%	48,284
Human Settlement Development		41,960	46,960	29	9,459	23,480	(14,021)	-59.7%	46,960
Replacement Funding for most vulnerable B3 municip		–	–	–	–	–	–	–	–
Library Service Conditional Grant		–	–	–	–	–	–	–	–
Community Development Workers		204	204	2	39	102	(63)	-62.0%	204
Regional Socio-economic Project/Violence Preventio		1,000	1,000	9	12	500	(488)	-97.5%	1,000
Maintenance of Main Roads		120	120	–	–	60	(60)	-100.0%	120
Other grant providers:		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
Other capital transfers [insert description]		–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		117,244	122,199	3,576	28,791	61,100	(32,309)	-52.9%	122,199
<u>Capital expenditure of Transfers and Grants</u>									
National Government:		31,226	31,226	2,675	13,468	15,613	(2,146)	-13.7%	31,226
Municipal Infrastructure Grant [Schedule 5B]		19,496	19,496	2,614	13,407	9,748	3,658	37.5%	19,496
Regional Bulk Infrastructure Grant (Schedule 5B)		11,730	11,730	61	61	5,865	(5,804)	-99.0%	11,730
Integrated National Electrification Programme (Mun		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		31,226	31,226	2,675	13,468	15,613	(2,146)	-13.7%	31,226
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		148,470	153,426	6,251	42,259	76,713	(34,454)	-44.9%	153,426

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
<b>Councillors (Political Office Bearers plus Other)</b>								
Basic Salaries and Wages	7,196	7,196	537	3,246	3,598	(352)	-10%	7,196
Pension and UIF Contributions	1,003	1,003	78	471	502	(30)	-6%	1,003
Medical Aid Contributions	201	201	9	62	100	(38)	-38%	201
Motor Vehicle Allowance	651	651	-	-	325	(325)	-100%	651
Cellphone Allowance	556	556	43	266	278	(13)	-5%	556
Housing Allowances	425	425	3	51	213	(162)	-76%	425
Other benefits and allowances	50	50	-	1	25	(24)	-96%	50
<b>Sub Total - Councillors</b>	<b>10,083</b>	<b>10,083</b>	<b>670</b>	<b>4,097</b>	<b>5,041</b>	<b>(945)</b>	<b>-19%</b>	<b>10,083</b>
<b>% increase</b>								
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	4,260	4,260	347	2,032	2,130	(98)	-5%	4,260
Pension and UIF Contributions	704	704	46	271	352	(81)	-23%	704
Medical Aid Contributions	131	131	8	50	65	(16)	-24%	131
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	805	805	-	321	403	(81)	-20%	805
Motor Vehicle Allowance	945	945	31	126	473	(347)	-73%	945
Cellphone Allowance	64	64	2	11	32	(21)	-65%	64
Housing Allowances	138	138	-	-	69	(69)	-100%	138
Other benefits and allowances	158	125	57	354	63	291	464%	125
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers</b>	<b>7,205</b>	<b>7,172</b>	<b>492</b>	<b>3,165</b>	<b>3,586</b>	<b>(422)</b>	<b>-12%</b>	<b>7,172</b>
<b>% increase</b>								
<b>Other Municipal Staff</b>								
Basic Salaries and Wages	97,371	97,693	7,292	42,536	48,846	(6,310)	-13%	97,693
Pension and UIF Contributions	15,318	15,321	1,169	6,944	7,660	(717)	-9%	15,321
Medical Aid Contributions	6,806	6,806	525	3,167	3,403	(237)	-7%	6,806
Overtime	10,974	10,971	1,085	7,211	5,486	1,725	31%	10,971
Performance Bonus	7,091	7,091	581	3,611	3,546	66	2%	7,091
Motor Vehicle Allowance	4,092	3,978	332	1,807	1,989	(182)	-9%	3,978
Cellphone Allowance	378	380	35	251	190	61	32%	380
Housing Allowances	1,490	1,490	120	717	745	(28)	-4%	1,490
Other benefits and allowances	1,596	1,596	235	1,403	798	604	76%	1,596
Payments in lieu of leave	791	791	(2,069)	(134)	396	(530)	-134%	791
Long service awards	388	388	69	441	194	247	127%	388
Post-retirement benefit obligations	10,126	10,126	908	5,585	5,063	522	10%	10,126
<b>Sub Total - Other Municipal Staff</b>	<b>156,422</b>	<b>156,632</b>	<b>10,283</b>	<b>73,539</b>	<b>78,316</b>	<b>(4,777)</b>	<b>-6%</b>	<b>156,632</b>
<b>% increase</b>								
<b>Total Parent Municipality</b>	<b>173,711</b>	<b>173,888</b>	<b>11,445</b>	<b>80,800</b>	<b>86,944</b>	<b>(6,144)</b>	<b>-7%</b>	<b>173,888</b>
	#DIV/0!	#DIV/0!						#DIV/0!
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>								
<b>Total Municipal Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp;</b>	<b>173,711</b>	<b>173,888</b>	<b>11,445</b>	<b>80,800</b>	<b>86,944</b>	<b>(6,144)</b>	<b>-7%</b>	<b>173,888</b>
<b>% increase</b>								
<b>TOTAL MANAGERS AND STAFF</b>	<b>163,628</b>	<b>163,805</b>	<b>10,774</b>	<b>76,703</b>	<b>81,902</b>	<b>(5,199)</b>	<b>-6%</b>	<b>163,805</b>

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q2 Second Quarter

Description	Ref	Budget Year 2017/18											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget
<b>Cash Receipts By Source</b>													
Property rates		3,345	12,935	5,490	12,707	4,868	3,463	5,141	5,141	5,141	5,141	5,141	16,296
Service charges - electricity revenue		18,142	20,502	15,447	17,251	14,535	12,109	18,169	18,169	18,169	18,169	18,169	57,360
Service charges - water revenue		2,316	3,051	2,526	2,851	3,597	2,663	2,951	2,951	2,951	2,951	2,951	11,747
Service charges - sanitation revenue		4,300	2,031	1,676	1,668	1,745	1,311	1,605	1,605	1,605	1,605	1,605	5,844
Service charges - refuse		1,483	2,094	1,671	1,804	1,828	1,291	1,488	1,488	1,488	1,488	1,488	2,129
Service charges - other		2,075	1,341	1,346	1,974	3,604	605	87	87	87	87	87	(86,934)
Rental of facilities and equipment		66	32	816	144	206	804	804	804	804	804	804	3,560
Interest earned - external investments		10	1,053	(0)	1,234	549	380	380	380	380	380	380	(565)
Interest earned - outstanding debtors		-	13	-	-	-	713	713	713	713	713	713	4,262
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		6	13	18	144	217	248	248	248	248	248	248	1,092
Licences and permits		21	-	(1,491)	(206)	394	-	-	-	-	-	-	1,283
Agency services		-	-	-	-	-	385	385	385	385	385	385	2,307
Transfer receipts - operating		-	29,339	354	7,046	21	8,154	8,154	8,154	8,154	8,154	8,154	12,163
Other revenue		8	50,632	715	3,298	432	-	-	-	-	-	-	(55,085)
<b>Cash Receipts by Source</b>		<b>31,771</b>	<b>123,036</b>	<b>28,567</b>	<b>49,915</b>	<b>31,998</b>	<b>32,126</b>	<b>40,125</b>	<b>40,125</b>	<b>40,125</b>	<b>40,125</b>	<b>40,125</b>	<b>(24,540)</b>
<b>Other Cash Flows by Source</b>													
Transfer receipts - capital		-	12,613	-	-	-	5,269	5,269	5,269	5,269	5,269	5,269	19,001
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	3,500
Increase in consumer deposits		(24)	(54)	61	76	10	-	-	-	-	-	-	(69)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	(11)	-	-	-	-	-	-	-	-	11
<b>Total Cash Receipts by Source</b>		<b>31,747</b>	<b>135,595</b>	<b>28,618</b>	<b>49,991</b>	<b>32,008</b>	<b>37,395</b>	<b>45,394</b>	<b>45,394</b>	<b>45,394</b>	<b>45,394</b>	<b>45,394</b>	<b>(2,096)</b>
<b>Cash Payments by Type</b>													
Employee related costs		8,269	8,312	11,092	11,416	18,403	12,029	12,029	12,029	12,029	12,029	12,029	14,681
Remuneration of councillors		698	752	729	752	728	840	840	840	840	840	840	1,381
Interest paid		-	-	231	-	-	78	78	78	78	78	78	238
Bulk purchases - Electricity		187	351	44,688	13,080	11,853	13,579	13,579	13,579	13,579	13,579	13,579	11,314
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		46	0	919	2,045	2,077	625	625	625	625	625	625	(1,338)
Contracted services		446	13	1,252	507	3,925	1,634	1,634	1,634	1,634	1,634	1,634	3,660
Grants and subsidies paid - other municipalities		203	-	-	-	-	-	-	-	-	-	-	(203)
Grants and subsidies paid - other		-	-	46	3,120	6,550	49	49	49	49	49	49	(9,423)
General expenses		19,162	34,537	6,267	3,147	7,724	2,084	2,084	2,084	2,084	2,084	2,084	(57,832)
<b>Cash Payments by Type</b>		<b>29,012</b>	<b>43,966</b>	<b>65,225</b>	<b>34,069</b>	<b>51,261</b>	<b>30,918</b>	<b>30,918</b>	<b>30,918</b>	<b>30,918</b>	<b>30,918</b>	<b>30,918</b>	<b>(37,523)</b>
<b>Other Cash Flows/Payments by Type</b>													
Capital assets		12,297	6,429	3,599	2,293	2,583	5,778	2,214	2,996	8,489	9,348	8,272	19,383
Repayment of borrowing		32,576	14,453	(9,193)	(1,353)	30,471	-	-	-	-	-	-	(66,954)
Other Cash Flows/Payments		21,681	(300)	5,687	89,274	(4,385)	(17,494)	(47,237)	78,727	(64,560)	(18,751)	(14,902)	24,741
<b>Total Cash Payments by Type</b>		<b>95,566</b>	<b>64,547</b>	<b>65,317</b>	<b>124,283</b>	<b>79,929</b>	<b>19,202</b>	<b>(14,105)</b>	<b>112,641</b>	<b>(25,153)</b>	<b>21,516</b>	<b>24,287</b>	<b>(60,352)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(63,819)</b>	<b>71,048</b>	<b>(36,699)</b>	<b>(74,291)</b>	<b>(47,922)</b>	<b>18,192</b>	<b>59,499</b>	<b>(67,247)</b>	<b>70,546</b>	<b>23,878</b>	<b>21,106</b>	<b>58,256</b>
Cash/cash equivalents at the month/year beginning:		45,875	(17,944)	53,104	16,405	(57,887)	(105,808)	(87,616)	(28,117)	(95,364)	(24,817)	(939)	20,167
Cash/cash equivalents at the month/year end:		(17,944)	53,104	16,405	(57,887)	(105,808)	(87,616)	(28,117)	(95,364)	(24,817)	(939)	20,167	78,423

**Withdrawals from Municipal Bank Accounts**  
**Quarter ending 31 December 2017**  
**Report in terms of section 11(4)(a) of the MFMA, Act no 56 of 2003**

MFMA Section	Item Description	Income transactions October 2017	Income transactions November 2017	Income transactions December 2016	Expenditure transactions October 2017	Expenditure transactions November 2017	Expenditure transactions December 2016
		R	R	R	R	R	R
11(1) (b)	Expenditure authorised in terms of section 26(4) (Expenditure before annual budget is approved)						
11(1) (c)	Unforeseeable and unavoidable expenditure authorised in terms of section 29(1) (Mayor may approve emergency or other exceptional circumstances expenditure for which no budget provision was made)						
11(1) (d)	Section 12 withdrawals (Relief, charitable, trust or other funds withdrawals)						
11(1) (e) (i)	Money collected on behalf of organ of state:						
	- VAT	-107,401	-2,586	-	2,372,128	2,559,981	2,871,501
	- Agency fees, for example motor registration, drivers licence, etc.	-632,092	59,516	1,360,958	1,120,374	-	-
11(1) (e) (ii)	Insurance received by the Municipality on behalf of organ of state						
11(1) (f)	Refund of money incorrectly paid into bank account						
11(1) (g)	Refund of guarantees, sureties & security deposits	-157,724	-183,075	-142,820	143,750	169,066	109,227
		<b>-897,217</b>	<b>-126,145</b>	<b>1,218,139</b>	<b>3,636,252</b>	<b>2,729,047</b>	<b>2,980,728</b>
		Transactions October 2016	Transactions November 2016	Transactions December 2016			
11(1) (h)	Cash management and investment purposes:						
	- Realised	-12,500,000	-13,000,000	-13,500,000			
	- Made	-	-	-			
	- <b>Nett movement</b>	<b>-12,500,000</b>	<b>-13,000,000</b>	<b>-13,500,000</b>			

**Expenditure on Staff & Councillor Benefits for the period 1 July 2017 to 31 December 2017.**

(Report in terms of Section 66 of the MFMA)

<b>MFMA Section</b>	<b>Item Description</b>	<b>Original Budget 2017/2018</b>	<b>Amended Budget 2017/2018</b>	<b>Year to Date Total</b>	<b>% Spent to date</b>
<b>Staff Benefits</b>					
66(a)	Salaries and Wages	101,631,849	101,953,023	44,567,928	43.71%
66(b)	Contributions to pension funds and medical aids	22,958,330	22,961,542	10,430,705	45.43%
66(c)	Travel, accomodation and subsistence	5,037,107	4,923,737	1,932,841	39.26%
66(d)	Housing benefits and allowances	1,628,586	1,628,586	717,250	44.04%
66(e)	Overtime	10,974,215	10,971,215	7,210,891	65.73%
66(f)	Loans and advances	0	0	0	0.00%
66(g)	Other type of benefit or allowances	21,397,639	21,366,639	11,843,568	55.43%
	<b>Sub - Total (Staff Benefits)</b>	<b>R 163,627,726</b>	<b>R 163,804,742</b>	<b>R 76,703,183</b>	<b>46.83%</b>
<b>Councillor Benefits</b>					
MAY	Mayor	838,861	838,861	280,129	33.39%
DM	Deputy Mayor	621,755	621,755	259,026	41.66%
SP	Speaker	622,012	622,012	259,279	41.68%
MCM	Mayoral Committee members	2,476,596	2,476,596	943,732	38.11%
CLLR	Other Councillors	4,319,456	4,319,456	1,820,664	42.15%
MED	Medical aid contributions	200,997	200,997	62,252	30.97%
PEN	Pension fund contributions	1,003,257	1,003,257	471,492	47.00%
WARD	Ward Committee Allowance	720,000	720,000	352,000	48.89%
	<b>Sub - Total (Councillors' Benefits)</b>	<b>10,802,934</b>	<b>10,802,934</b>	<b>4,448,573</b>	<b>41.18%</b>
	<b>Total Councillor and Staff Benefits</b>	<b>R 174,430,660</b>	<b>R 174,607,676</b>	<b>R 81,151,756</b>	<b>46.48%</b>

The councillor benefits are determined annually by the national minister for cooperative governance and traditional affairs. The benefits are contained in Government Notice No. 1440 dated 15 December 2017, and was published in Government Gazette No. 41335.

The concurrence of the Provincial Minister of Local Government is awaited before the adjustments are implemented.

The expenditure on overtime and other benefits are a concern and must be managed downwards.

The savings on salaries and wages are due to vacancies. Only critical vacancies must be filled until the financial effect of the implementation of TASK can be determined more accurately.

# WITZENBERG MUNICIPALITY

## SDBIP TOP LAYER MID-YEAR REPORT 2017/18

Key Performance Area	Strategic Objective	Ref Nr	Key Performance Indicator	Annual Target	2nd Quarter	
					Target	Result
Essential services	Sustainable provision & maintenance of basic services	TecDir1	Percentage expenditure on maintenance budget by Technical Directorate.	99%	50%	44%
		TecDir3	Percentage expenditure on capital budget by Technical Directorate.	96%	40%	23%
		TecRo7	Kilometres of roads upgraded & rehabilitated.	3	0,5	1,16
		TecWat21	Percentage compliance with drinking water quality standards	98%	98%	100%
		TecWat20	Decrease unaccounted water losses.	18%	18%	16%
		TecEl37	Decrease unaccounted electricity losses.	8%	8%	8,8%
		FinInc17	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	<1%	<1%	0%
		FinInc18	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	<1%	<1%	0%
		FinInc19	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	<1%	<1%	0,4%
		FinInc20	Number of outstanding valid applications for waste removal services expressed as a % of total number of billings for the service.	<1%	<1%	0%
	Provide for the needs of informal settlements through improved services	TecDir2	Number of subsidised serviced sites developed.	500	150	0
		TecWat22	Provide basic services - number of informal areas with sufficient communal water service points (taps).	3	3	3
		TecSan13	Provide basic services - number of informal areas with sufficient communal sanitation service points(toilets).	3	3	3
		TecRef31	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area cleaning service.	3	3	3
		TecEl36	Number of subsidised electricity connections installed.	309	50	187
Governance	Support institutional development & transformation	CorpHR12	Percentage of people from employment equity target groups employed in the three highest levels of management.	75%	75%	71%
		CorpHR13	Percentage budget spend on the implementation of the Workplace Skills Plan	96%	50%	37%
	Financial Viability	MM1	Percentage spend on maintenance for the whole municipality.	99%	50%	44%
		MM2	Percentage spend on Capital Budget for the whole municipality.	96%	40%	23%
		FinDir3	Opinion of the Auditor-General on annual financial statements of the previous year.	Unqualified		1
		FinFAdm9	Financial viability expressed as Cost-Coverage ratio	2,8	2,8	3,7
		FinFAdm10	Financial viability expressed as Debt-Coverage ratio	30	30	101
		FinFAdm11	Financial viability expressed outstanding service debtors	44%	44%	85,83%
		FinInc15	Increased revenue collection	95%	95%	93%
	Strengthen relations	MMIDP9	Number of IDP community meetings held.	14	7	7
		ComSoc49	Number of meetings with intergovernmental partners.	12	6	6



Key Performance Area	Strategic Objective	Ref Nr	Key Performance Indicator	Annual Target	2nd Quarter	
					Target	Result
Communal services	Provide & maintain facilities	ComDir1	Percentage expenditure on maintenance budget by Community Directorate.	99%	50%	68%
		ComDir2	Percentage expenditure on capital budget by Community Directorate.	96%	40%	35%
		ComAm34	Customer satisfaction survey on community facilities (score 1 - 5)	2,5		
Socio-Economic Support Services	Support the poor & vulnerable	ComLed8	The number of jobs created through the municipality's local economic development initiatives including capital projects.	390	200	200
		ComHS14	Number of housing opportunities provided per year - top structures.	309	50	107
		ComHS15	Number of rental stock transferred.	60	30	6
		ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	2750	2750	2296
		ComSoc42	Bi-annual HIV/AIDS awareness programmes	3	1	1
		ComSoc43	Arrange workshops for youth per twinning agreement	2	2	2
		ComSoc44	Implement substance abuse programmes	5	3	3
		ComSoc45	Implementation of child protection programmes	2		
		ComSoc46	Implementation of early childhood development programmes	4	2	2
		ComSoc47	Implementation of gender programmes	2	1	1
		ComSoc48	Implementation of projects for persons with disabilities	2	1	1
	Create an enabling environment to attract investment & support local economy.	MMPProp21	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Phase 4 Implement		
		ComLed4	Compile & Implementation of LED Strategy.	Review of plan		

#### Targets not achieved:

##### TecDir1 – Percentage expenditure on maintenance budget by Technical Directorate.

Reason for target not achieved:

- The contractor who does some of the maintenance work on the Roads & Storm water, had cash flow problems.

Corrective measures:

- The contractor was issued with 2 rate of progress letters, as per the General Conditions of Contract, the progress of the contractor has since increased and will the expenditure also be improving now.

##### TecDir3 – Percentage expenditure on capital budget by Technical Directorate.

Reason for target not achieved:

- This underspending is due to the late start of the Vredebes internal services housing project. The layout was amended which had the effect that the services plans could not be approved. The layout has been approved and the services plans approved in the meantime. The number of sites to be serviced has also been reduced to 300. Vredebes Housing Project – R25 000 000,00. Asla was given approval to commence with the services of Vredbes phase F1 on 6 October 2017 already, Asla submitted an application to dept. of Human Settlements for additional funding due to Geotechnical

conditions, Asla indicated they need clarity from dept. Human Settlements on the additional funding before they can establish site.

- Tulbagh Construction of Dam - R11 729 824,00 . DWS has not approved the funding , to enable us to commence with the project.
- Total of these two projects – R36 729 824.00

Corrective measures:

- Reduced amount to be corrected with adjustment budget. Vredebes Housing Project – Follow up with Asla & dept. Human Settlements on the approval of the additional geotech funding.
- Tulbagh Construction of Dam – Follow up with DWS on approval of funding. I am already following up with DWS on a monthly basis on the progress of the release of the RBIG funding.

#### TecEl37 – *Decrease unaccounted electricity losses.*

Reason for target not achieved:

- Technical losses is actual losses that occur when transferring power in dsitribution system. This can only be optimised and is not always practical due to budget constraints.
- Electricity theft. Connections can be removed but the safety of personnel are at risk as well as the possibility of riots.
- Unmetered installations and meters will be addressed once the challenges with the GIS as reported seperately have been addressed.
- The identification of faulty and inaccurate meters is a challenge due to staff and equipment constraints.

Corrective measures:

- A load-flow study to identify upgrades and possible switching to increase network performance and reduce technical losses will be completed by June 2018.
- An illegal strategy connection will be drafted by February 2018
- Using GIS to determine anomalies
- Investigation on the erven identified with possible anomalies in order to address electricity losses.
- Appoint a consultant by June 2018 to do a complete meter audit.

#### TecDir2 – *Number of subsidised serviced sites developed.*

Reason for target not achieved:

- Engineering drawings for the internal services of the Vredebes phase F1 was approved on 1 November 2017. Asla has not started on site yet, as they submitted a geotechnical variance application for additional funds to Human Settlements, the outcome of the geotechnical funding are currently awaited.

Corrective measures:

- The geotechnical variance application must be finalised by Human Settlements, to allow the Contractor to commence on site.

#### CorpHR12 – *Percentage of people from employment equity target groups employed in the three highest levels of management.*

Reason for target not achieved:

- Vacant positions has been advertised but appointments has not been made due to a lack of suitable candidates.

Corrective measures:

### CorpHR13 – *Percentage budget spent on the Implementation of the Workplace Skills Plan .*

Reason for target not achieved:

- Bidders did not comply in terms of pre-Bid Specifications

Corrective measures:

- Bid will be re-advertised
- Orders to the amount of 53% of budget has been issued.

### MM1 – *Percentage expenditure on maintenance budget for the whole Municipality.*

Reason for target not achieved:

- The contractor who does some of the maintenance work on the Roads & Storm water, had cash flow problems.
- Orders was not issued timeously by Finance for various R&M votes, due to MSCOA.

Corrective measures:

- R&M votes and orders have been received and spending will increase now.
- The roads contractor was issued with 2 rate of progress letters, as per the General Conditions of Contract, the progress of the contractor has since increased and will the expenditure also be improving now.

### MM2 – *Percentage expenditure on capital budget for the whole municipality..*

Reason for target not achieved:

- Vredebes Housing Project – Serviced sites budget. Originally it was indicated by the Dept of Human Settlements that 500 sites will be approved for implementation and thus provision for 500 sites was made in the municipal budget. In the approval letter dated November 2017 it was indicated that only 300 sites will be budgeted for by the Department.
- Vredebes Housing Project – Serviced sites implementation. Official budget approval was only received in November 2017. The Implementing agent also indicated that the budget need to be increased due to the geotechnical conditions of the area. The planned expenditure to date was R 15m which did not realise due to the abovementioned issues.
- Tulbagh Construction of Dam - R11 729 824,00 . DWS has not approved the funding , to enable us to commence with the project.

Corrective measures:

- Reduced amount to be corrected with adjustment budget. Vredebes Housing Project – Follow up with Asla & dept. Human Settlements on the approval of the additional geotech funding.
- Tulbagh Construction of Dam – Follow up with DWS on approval of funding. I am already following up with DWS on a monthly basis on the progress of the release of the RBIG funding.

### FinAdm11 – *Financial viability expressed as outstanding service debtors..*

Reason for target not achieved:

- Credit control measures are limited in areas where electricity is supplied by Eskom. This concern has been addressed by SALGA but no workable solution has been reached to date.
- An additional contributing factor to the none achievement of the KPI is due to limited applications for indigent support within these areas.

Corrective measures:

- Implementation of water management meters to limit water consumption and to address the non-payment for the water service.

Corrective measures:

- Implementation of water management meters to limit water consumption and to address the non-payment for the water service.

FinInc15 – Increased revenue collection

Reason for target not achieved:

- Credit control measures are limited in areas where electricity is supplied by Eskom. This concern has been addressed by SALGA but no workable solution has been reached to date.
- An additional contributing factor to the none achievement of the KPI is due to limited applications for indigent support within these areas.

Corrective measures:

- Implementation of water management meters to limit water consumption and to address the non-payment for the water service.

ComDir2 – Percentage expenditure on capital budget by Community Directorate.

Reason for target not achieved:

- Capital projects base on the availability of the municipal loan has not being finalized.

Corrective measures:

- In terms of Amenities some tenders has been re-advertised.

ComHS15 – Number of rental stock transferred.

Reason for target not achieved:

- Attorney indicated that he struggled to get documents signed by beneficiaries who did not show for their appointments.
- Extended RCC (rates clearance certificates) were required for 9 properties from the Finance Department and was delayed.
- Registration of N'duli properties are linked to lost VA for certain titles at the deeds office

Corrective measures:

- Lost VA's were found, RCC again requested and received by Agent (Dykes Van Heerden) and Attorney and will be lodge by middle November 2017
- 4 applications lodge on 3 October 2017 – registration 3 weeks after lodgement – Attorney
- Signed documents already handed in for signature of MM and send back) – Attorney needs to expedite lodgement

## **Municipal Manager's quality certification**

### **Quality Certificate**

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the quarterly budget assessment has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name Mr D NASSON

Municipal Manager of WITZENBERG MUNICIPALITY.

Signature:



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Date

17 January 2018

# WITZENBERG

MUNISIPALITEIT      UMASIPALA      MUNICIPALITY

## - MEMORANDUM -

AAN / TO : Mayco  
VAN / FROM : Municipal Manager  
DATUM / DATE : 28 November 2017  
VERW / REF : 15/4/P

### DRAFT BY LAW FOR HOUSE SHOPS IN THE WITZENBERG MUNICIPAL AREA

#### PURPOSE

Council resolved at its workshop on the 11<sup>th</sup> October 2017 to embark on a public participation process to obtain inputs to assist Council in its endeavour to solve the problems related to house shops (refer to item 2 of minutes of the Council meeting of 11 October 2017).

#### DELIBERATION

A draft By Law (attached as **Annexure A**) was made available at the public workshop on the following days:

14 November 2017 - Ceres & Wolseley  
November 15, 2017 - Prince Alfred Hamlet  
November 16, 2017 - The Town-on-the-Mountain  
20 November 2017 – Tulbagh

The attendance register is attached as **Annexure B**.

Inputs from the public were recorded and attached as **Annexure C**.

In summary, the inputs can be reacted upon as follows:

	Public comment / proposal:	Section: Town Planning & Building Control Comments:
1	That the 3 months' time limit for the handling of applications be considered.	Proposal accepted - will be included
2	That the comment period for consultations be considered.	Already considered in the regulation as part of Clause 4 (6).
3	Verification of neighbours' written permission for application must be done by the Ward Councillor.	It is not recommended. The Council may, if it finds that the signatures have fraudulently been obtained, withdraw the permission and declare the application invalid.

4	Clause 4 (4) (b) Site plan requirement must include floor plan.	Proposal accepted - will be included.
5	Clause to be included for SARS Registration.	It is not recommended as it is not a land use consideration of an application. There is National legislation that deals with income Tax.
6	Business licenses must be renewed on an annual basis.	Proposal is accepted - it is the subject of other legislation but will be laid down as a condition of the permission.
7	Services. No additional connections or increase of capacity allowed and laid down as a condition of approval.	Proposal accepted - will be included
8	Definition of "owner" must include direct dependents & the applicant must list dependents on application form.	Proposal accepted - will be included
9	Clause 6 (6) business hours for summer and winter must be considered.	It is suggested that the times are not laid down in the by-law but in the annual license. This will ensure that Council is not pre-committed to times before the different scenarios are tested.
10	Sleep in house shops should be banned.	Proposal accepted - will be included
11	11 Clause 9 fine. Specific amount must not be laid down in the by-law but must be determined by magistrate.	Already included in the by-law
12	Concern about children hanging out at home shops and enforcing smoking regulations.	Will be difficult to enforce and is in any event a criminal offense under the relevant legislation.
13	There are cases where a person owns more than one store.	It will be prohibited in terms of the new by-law and entered as a restriction.
14	Distance from 200m between shops. Is this relevant to Village-on-the-Berg?	It is recommended that it be included in the by-law that a 100m radius for Die-Dorp-Op-Die-Berg will apply.
15	15 Can existing stores survive under the new by-law?	Yes, but there is a transitional period of 6 months for the owner to comply with the provisions of the new by-law under Clause 11.
16	Can the application fee for pensioners be reduced?	Can the application fee for pensioners be reduced?

## **RECOMMENDATION**

That the Executive Mayor and Mayoral Committee recommend to Council:

- (a) that the proposals of the public be considered and incorporated as recommended by the Division: Town Planning and Building Control.
- (b) that Council provisionally adopts the by-Law for House shops in the Witzenberg Municipal area.
- (c) that the Draft By-Law be advertised for public comments for at least 30 days.
- (d) that the Municipal Manager as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.

## **AANHEF**

NADEMAAL artikel 156(2) en (5) van die Grondwet bepaal dat 'n munisipaliteit verordeninge kan uitvaardig en administreer vir die doeltreffende administrasie van die aangeleenthede wat hy die reg het om te administreer, en om enige bevoegdheid uit te oefen met betrekking tot 'n aangeleentheid wat redelikerwys nodig is vir, of verband hou met, die doeltreffende verrigting van sy funksies;

EN NADEMAAL Deel B van Bylae 4 tot die Grondwet munisipale beplanning lys as 'n plaaslike regeringsaangeleentheid in die mate in artikel 155(6) (a) en (7) uiteengesit;

EN NADEMAAL die Witzenberg Munisipaliteit poog om munisipale grondgebruikbeplanning en enige aangeleenthede wat daarmee in verband staan te bestuur, beheer en reguleer;

WORD DAAR soos volg deur die Witzenberg Munisipaliteit BEPAAL:—

## **BYLAE**

### **WITZENBERG MUNISIPALITEIT**

#### **Verordening insake huiswinkels**

**Om huiswinkels binne die owerheid se regsgebied te beheer en reguleer.**

#### **Indeling van Artikels**

1. Woordbepaling
2. Toepassing van hierdie verordening
3. Klassifisering van huiswinkels
4. Aansoeke vir huiswinkels
5. Vereistes vir 'n huiswinkel
6. Beperking
7. Nie-aanspreeklikheid van die munisipaliteit
8. Kennisgewing
9. Boete
10. Toepassing
11. Oorgangsmatreëls
12. Delegasie
13. Versuim om te voldoen
14. Kort titel en inwerkingtreding
15. Aanhangsel A



## 1. Woordbepaling

In hierdie verordening, tensy teenstrydig met die sinsverband, beteken:

**“gemagtigde beampte”** ‘n werknemer van die Raad wat deur die munisipale bestuurder aangestel is om die magte van ‘n gemagtigde beampte ingevolge die bepalings van hierdie verordening uit te oefen;

**“goedkeuringstydperk”** ‘n maksimum van vyf jaar ingevolge die Witzenberg Verordening op Grondgebruikbeplanning, P.K. 289/2015, waarna daar weer aansoek gedoen moet word vir verlenging.

**“huiswinkel”** die aanwending van ‘n kleinhandel onderneming vanaf ‘n woonhuis vir die gerief van die onmiddellike gemeenskap deur die geregistreerde eienaar van die woonhuis, wat die woonhuis moet bewoon; met dien verstande dat die oorhoofse gebruik van die struktuur residensieel sal bly;

**“munisipale bestuurder”** ‘n persoon wat in deur die raad ingevolge die Wet op Plaaslike Regering: Munisipale Strukture, 1998 (Wet 117 van 1998) aangestel is;

**“munisipaliteit”** die Munisipaliteit van Witzenberg;

**“nasionale bouregulasies”** beteken die Nasionale Bouregulasies wat ingevolge die Wet op Nasionale Bouregulasies en Boustandaarde, Wet No. 103 van 1977, afgekondig is;

**“openbare oorlas”** enige handeling, versuim of toestand wat aanstootlik is, wat nadelig of gevaarlik is vir die gesondheid, wat die gewone gemak, gerief, rus of stilte van die publiek wesenslik belemmer of wat die veiligheid van die publiek nadelig raak;

**“Raad”** die munisipale raad van die Munisipaliteit;

**“Soneringskema”** soneringskema afgekondig in terme van die Ordonnansie op Grondgebruikbeplanning, no. 15 van 1985 of die Ge-integreerde Soneringskema afgekondig in terme van SPLUMA, 2013 (Wet 16 van 2013);

**“Soneringskema regulasies”** Artikel 7 en Artikel 8 Skema regulasies ingevolge die Ordonnansie op Grondgebruikbeplanning, no. 15 van 1985 of die Ge-integreerde Soneringskema afgekondig in terme van SPLUMA, 2013 (Wet 16 van 2013).

## 2. Toepassing van hierdie verordening

- (1) Hierdie verordening is van toepassing op die totale regsgebied van Witzenberg Munisipaliteit.

- (2) Die bepalings van hierdie verordening doen nie afbreuk aan die bepalings van enige ander wetgewing nie.
- (3) Geen persoon mag 'n huiswinkel bedryf sonder vooraf goedkeuring van die munisipaliteit in terme van hierdie Verordening nie.

### **3. Klassifisering van huiswinkels**

- (1) Huiswinkels word as volg geklassifiseer:
  - (a) 'n huiswinkel met winsbejag;
  - (b) 'n huiswinkel met 'n geïdentifiseerde winkelarea binne bestaande strukture;
  - (c) 'n huiswinkel waar formele advertering plaasvind;
  - (d) 'n huiswinkel waar voorraad aangekoop en afgelewer word;
  - (e) 'n huiswinkel waar besigheidsure gehandhaaf word;
  - (f) en 'n huiswinkel waar die oorheersende gebruik van die perseel residensieel is, met die huiswinkel sekondêr.

### **4. Aansoeke vir huiswinkels**

- (1) Slegs die eienaar van die eiendom, en woonagtig op die eiendom, mag aansoek doen om 'n huiswinkel te bedryf.
- (2) Slegs die eienaar van die eiendom en woonagtig op die eiendom mag die huiswinkel bedryf.
- (3) Aansoek vir 'n huiswinkel sal geskied in terme van die Witzenberg Verordening op Grondgebruikbeplanning, P.K. 289/2015 en wel as 'n afwykende gebruik.
- (4) Die volgende dokumente moet 'n aansoek om 'n huiswinkel vergesel:
  - (a) Die volledig voltooide aansoekvorm soos uiteengesit in Aanhangsel A;
  - (b) 'n terreinplan van die besigheidskomponent van die voorgestelde huiswinkel;
  - (c) Bewys van die skriftelike toestemming van alle omliggende / aangrensende eienaars om 'n huiswinkel op die betrokke perseel te bedryf;
  - (d) Aansoekfooi ingevolge die Raad se tariewe;
  - (e) Afskrif van die applikant se Identiteitsdokument
- (5) Die aansoek sal vir kommentaar gesirkuleer word na die munisipale afdelings en plaaslike Raadslid.
- (6) Dertig dae sal deur die munisipaliteit verleen word om kommentaar te lewer.
- (7) Die gevolgmagtigde amptenaar sal die aansoek oorweeg en 'n besluit neem oor die goedkeuring daarvan, al dan nie.
- (8) Die aansoeker en beswaarmakers, indien van toepassing, sal skriftelik in kennis gestel word van die besluit van die gevolgmagtigde amptenaar.
- (9) Besware in sal hanteer word in terme van die Witzenberg Verordening op Grondgebruikbeplanning, P.K. 289/2015.

## **5. Vereistes vir 'n huiswinkel**

- (1) Huiswinkels moet aan die volgende vereistes voldoen:
  - (a) Die huiswinkel mag slegs bedryf word vanuit 'n woongebou wat voldoen aan die Skema regulasies toepaslik op die betrokke area en die Nasionale Bouregulasies;
  - (b) Die omvang en ligging van die besigheidskomponent moet op 'n skaalplan aangedui word, en sal nie meer as 45% van die totale vloeroppervlakte van die woonhuis wees nie;
  - (c) Die erf waaruit die huiswinkel bedryf word moet 'n woonhuis as 'n primêre residensiële eiendom bevat;
  - (d) Die huiswinkel mag nie binne die straatreserwe geleë wees nie;
  - (e) 'n Huiswinkel moet nie nader as 200 meter van bestaande besighede/huiswinkels wees nie;
- (2) Die Raad behou die reg voor om die goedkeuring te enige tyd in te trek indien enige van die voorgemelde riglyne nie nagekom word nie, of verbreek word.

## **6. Beperkings**

- (1) Enige verandering aan die bestaande woonhuis moet by die residensiële karakter van die betrokke gebied inpas.
- (2) Alle wetgewing, regulasies, omgewingsgesondheid en veiligheidsmaatreëls ten opsigte van die bedryf van 'n huiswinkel en die ware daarin moet aan voldoen word deur die eienaar.
- (3) Die bedryf van die huiswinkel mag nie 'n openbare oorlas veroorsaak nie.
- (4) Geen plofbare of vlambare stowwe mag aangehou of verkoop word nie.
- (5) Toestemming om 'n huiswinkel te bedryf word aan die geregistreerde eienaar van die perseel toegestaan en is nie oordraagbaar nie.
- (6) Die besigheidsaktiwiteit mag slegs plaasvind tussen 6h00 en 22h00.
- (7) Indien 'n aansoeker 'n advertensieteken wil oprig, moet -
  - (a) vooraf by die Munisipaliteit aansoek gedoen word;
  - (b) mag slegs een onbeligte bord of kennisgewing, wat nie 2000 cm<sup>2</sup> in grootte oorskry nie en wat slegs die naam van die eienaar, besigheid en die aard daarvan aandui, vertoon word;
  - (c) die Munisipaliteit se geskrewe goedkeuring vooraf verkry word.
- (8) Slegs geregistreerde eienaars van die eiendom mag handel dryf.

## **7. Nie-aanspreeklikheid van die munisipaliteit**

Die munisipaliteit is nie aanspreeklik vir enige regstreekse of gevolglike verlies of skade wat die eienaar van die huiswinkel perseel mag ly of opdoen as gevolg van of voortspruitend uit die goedkeuring van die huiswinkel nie.

## **8. Kennisgewing**

- (1) Wanneer ookal 'n gemagtigde beampte of wetstoepasser bevind dat enige persoon 'n bepaling van hierdie verordening oortree of dat as gevolg van enige persoon se optrede of versuim 'n toestand ontstaan het wat 'n openbare oorlas veroorsaak of moontlik aanleiding kan gee tot die ontstaan van 'n openbare oorlas, kan so 'n gemagtigde beampte of toepasser 'n kennisgewing dien aan sodanige persoon.
- (2) Sou 'n kennisgewing uitgereik word, moet dit die volgende bevat –
  - (a) Die bepaling van die verordening wat oortree word of oortree sal word as die toestand toegelaat word om voort te duur;
  - (b) Die maatreëls wat getref moet word om die toestand reg te stel, en
  - (c) Die tydperk waarbinne aan die kennisgewing voldoen moet word.

## **9. Boete**

Wanneer ookal 'n wetstoepasser bevind dat enige persoon 'n vereiste of beperking onder klosule 5 en 6 van hierdie verordening oortree, kan so 'n wetstoepasser 'n boete dien aan sodanige persoon soos goedgekeur deur die Landdroshof.

## **10. Toepassing**

- (1) Die bepalings van hierdie verordening doen nie afbreuk aan die bepalings van enige ander wetgewing ingevolge waarvan voorsiening gemaak is vir die beheer van huiswinkels soos bepaal in daardie wetgewing.

## **11. Oorgangsmaatreëls**

- (1) 'n Persoon wat kan bewys dat die Raad ten tyde van die inwerkingstelling van hierdie verordening reeds goedkeuring toegestaan het om 'n huiswinkel te bedryf, mag voortgaan om op te tree in ooreenstemming met die goedkeuring ingevolge sodanige verordening, op voorwaarde dat: -
  - (a) Geen goedkeuring vanaf die oorspronklike aansoeker na 'n ander persoon oorgedra mag word nie; en
  - (b) Die eienaar van die huiswinkel bewys lewer van die Raad se goedkeuring.
  - (c) Die geregistreerde eienaar binne 6 maande vanaf proklamering van hierdie verordening sal voldoen aan die vereistes en beperkings onder klosule 5 en 6.

## **12. Delegasie**

Die munisipale bestuurder mag enige bevoegdheid of plig wat ingevolge die bepalings van hierdie verordening aan die munisipale bestuurder toegeken is, skriftelik aan 'n amptenaar van die munisipaliteit delegeer.

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### **13. Versuim om the voldoen**

- (1) die munisipaliteit mag in die geval waar 'n persoon versuim om aan 'n kennisgewing te voldoen-
  - (a) 'n kriminele klag teen die persoon maak;
  - (b) aansoek doen by 'n hof vir 'n bevel wat daardie persoon verhoed om verder onwettig te handel, enige struktuur of gebou af te breek, te verwyder of reg te stel wat onwettig opgerig was sonder die betaling van vergoeding of kompensasie of die rehabilitasie van die betrokke grond of
  - (c) in die geval van 'n tydelike afwyking of vergunning die toestemming wat toegestaan was onttrek.

### **14. Kort titel en inwerkingtrede**

Hierdie verordening word genoem die Witzenberg Munisipaliteit Huiswinkel Verordening 2017 en sal in werking tree op die datum van die promulgering daarvan in die Provinsiale Koerant.

## **PREAMBLE**

WHEREAS section 156(2) and (5) of the Constitution provides that a municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer, and to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions;

AND WHEREAS Part B of Schedule 4 to the Constitution lists Municipal Planning as local government matters to the extent set out in section 155(6) (a) and (7);

AND WHEREAS the Witzenberg Municipality seeks to manage, control and regulate municipal land use planning and any matters connected therewith;

BE IT ENACTED by the Council of the Witzenberg Municipality, as follows:—

## **SCHEDULE**

### **WITZENBERG MUNICIPALITY**

#### **House Shop By-law**

***To control and regulate house shops within the authority's area of Jurisdiction***

#### **Classification of Sections**

1. Definitions
2. Application of this by-law
3. Classification of house shops
4. Applications for house shops
5. Requirements for a house shop
6. Restrictions
7. Non-liability of the municipality
8. Compliance notices
9. Penalty
10. Application
11. Transitional arrangements
12. Delegation
13. Failure to comply
14. Short title and commencement
15. Appendix A

## 1. Definitions

In this by-law, unless the context otherwise indicates:

**“authorised official”** means an employee of the Council appointed by the Municipal Manager to exercise the powers of an authorised official in terms of the provisions of this by-law and includes a law enforcement officer;

**“approval period”** means a maximum of five years in terms of the Witzenberg Land Use Planning By-Law, P.N. 289/2015, after which an extension for the period must be applied for;

**“Council”** means the municipal Council of the municipality;

**“house shop”** means the operation of a retail business from a dwelling for the convenience of the immediate community by the registered owner of the dwelling, who must occupy the dwelling; provided that the primary use of the dwelling shall remain residential;

**“municipal manager”** means a person appointed by the Council in terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

**“municipality”** means the Witzenberg Municipality;

**“national building regulations”** means the National Building Regulations promulgated in terms of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977);

**“public nuisance”** means any act, omission or condition which is offensive to the public, which is detrimental to or dangerous for public health, which materially interferes with the ordinary comfort, convenience peace or quiet of the public or which adversely affects the safety of the public;

**“zoning scheme”** means a zoning scheme promulgated in terms of the Land Use Planning Ordinance 15 of 1985 or the Integrated Zoning Scheme promulgated in terms of SPLUMA, 2013 (Act 16 of 2013);

**“zoning scheme regulations”** means Section 7 and Section 8 of the Scheme Regulations in terms of the Land Use Planning Ordinance 15 of 1985 or the Integrated Zoning Scheme promulgated in terms of SPLUMA, 2013 (Act 16 of 2013);

## 2. Application of this by-law

- (1) This by-law is applicable to the entire area of jurisdiction of the Witzenberg Municipality.
- (2) The provisions of this by-law do not derogate from the provisions of any other legislation.
- (3) No person may operate a house shop without prior approval by the municipality in terms of this By-Law.



### **3. Classification of house shops**

- (1) House shops are classified as follows:
  - (a) a profit-seeking house shop;
  - (b) a house shop with an identified shop area inside an existing dwelling;
  - (c) a house shop where formal advertising takes place;
  - (d) a house shop where goods are purchased and delivered;
  - (e) a house shop where business hours are maintained;
  - (f) a house shop where the primary use of the premises is residential and the secondary use is for the purposes of a house shop.

### **4. Applications for house shops**

- (1) Only the owner of the property, and who resides on the property, may apply to operate a house shop.
- (2) Only the owner, who resides on the property, may operate the house shop.
- (3) An application for a house shop will be done in terms of the Witzenberg Land Use Planning By-Law, P.N. 289/2015 and specifically as a departure.
- (4) The following documents must accompany an application for a house shop:
  - (a) The fully completed application form as outlined in Appendix A to this By-Law;
  - (b) A site plan of the business component of the proposed house shop;
  - (c) Proof of the written consent of all surrounding/adjacent owners for a house shop to be operated on the relevant premises;
  - (d) Application fee as per the Council's tariffs;
  - (e) Copy of the applicant's Identity Document.
- (5) The application will be circulated to the municipal departments and local Councillor for comment.
- (6) Thirty days will be granted for comment.
- (7) The authorized official will consider the application and make a decision as to the approval, or non-approval.
- (8) The applicant and objectors, if applicable, will be notified in writing of the decision of the authorized official.
- (9) Objections will be handled in terms of the Witzenberg Land Use Planning By-Law, P.N. 289/2015.

### **5. Requirements for a house shop**

- (1) House shops must meet the following requirements –
  - (a) The house shop may only be operated from a dwelling that complies with the Scheme Regulations applicable to the specific area and the National Building Regulations;
  - (b) The extent and location of the business component must be indicated on a scaled plan, and shall not exceed 45% of the total floor area of the dwelling-house;

- (c) The erf from which the house shop is operated must contain a dwelling as a primary residential property;
  - (d) The house shop may not be located within the road reserve;
  - (e) A house shop must not be located closer than 200 meter from existing businesses / house shops;
- (2) Should any of the aforementioned provisions not be complied with or contravened, the Council reserves the right to withdraw the approval at any time.

## **6. Restrictions**

- (1) Any alterations to the existing dwelling must blend in with the residential character of the area concerned.
- (2) All legislation, regulations and safety measures regarding the operation of the house shop and merchandise therein must be adhered to by the owner.
- (3) The operation of the house shop may not cause a public nuisance.
- (4) No explosive or flammable substances may be kept or sold.
- (5) Consent to operate a house shop is granted to the registered owner of the premises and is not transferable.
- (6) The business activities may only take place between 06:00 and 22:00.
- (7) Should an applicant wish to erect advertising signage –
  - (a) an application must be submitted in advance to the municipality;
  - (b) only one unlighted sign or notice, no larger than 2 000 cm<sup>2</sup> in extent, indicating the name of the owner, business and the nature thereof only, may be displayed;
  - (c) the prior written approval of the municipality must be obtained.
- (8) Only the registered owners of the property may be involved in trading.

## **7. Non-liability of the municipality**

The municipality shall not be liable for any direct or consequential loss or damage suffered or sustained by the owner of the house shop premises as a result of or arising from the approval of the house shop.

## **8. Compliance notices**

- (1) Whenever an authorised official or law enforcement officer finds that any person contravenes any provision of this by-law or that a situation arises which causes a public nuisance or which could possibly lead to a public nuisance as a result of any person's actions or failure to act, such an official or officer is authorized to issue a compliance notice on such a person.
- (2) Should a notice be served, it must contain the following –
  - (a) The provision of the by-law that is being or will be contravened, should the situation be allowed to continue;
  - (b) The measures to be taken to rectify the situation; and
  - (c) The timeframe for compliance with the notice.

## **9. Penalties**

Whenever a law enforcement officer finds that any person contravenes any requirement or restriction under clauses 5 and 6 of this by-law, such law enforcement officer may serve a fine on such a person as approved by the Magistrate.

#### **10. Application**

The provisions of this by-law do not detract from the provisions of any other legislation in terms of which provision is made for the control of house shops as stipulated in that legislation.

#### **11. Transitional arrangements**

- (1) A person who can prove that the Council has already granted approval for the operation of a house shop at the time of implementation of this by-law may continue to act in accordance with the approval in terms of such by-law, provided that:
  - (a) Approval is not transferred from the original applicant to another person; and
  - (b) The owner of the house shop provides proof of the Council's approval.
  - (c) The registered owner within 6 months of the proclamation of this by-law shall comply with the requirements and restrictions under clause 5 and 6.

#### **12. Delegation**

The Municipal Manager may delegate any power or function conferred on the Municipal Manager in terms of the provisions of this by-law in writing to an official of the municipality.

#### **13. Failure to comply**

- (1) If a person fails to comply with a compliance notice the Municipality may—
  - (a) lay a criminal charge against the person; or
  - (b) apply to the Court for an order restraining that person from continuing the illegal activity, to demolish, remove or alter any building, structure or work illegally erected or constructed without the payment of compensation or to rehabilitate the land concerned; or
  - (c) in the case of a temporary departure or consent use, the Municipality may withdraw the approval granted.

#### **14. Short title and commencement**

This by-law is called the Witzenberg Municipality House Shop By-law 2017 and shall be in operation on the date of its promulgation in the Provincial Gazette.

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## Appendix A

### House shop Application form

(Application for departure in terms of the Witzenberg Land Use Planning By-Law, P.N. 289/2015)

#### INSTRUCTIONS:

1. Please complete this form fully as an incomplete application will not be accepted.
2. Only the owner of the property may apply to operate a house shop.
3. A copy of the applicant's ID must be attached to this application.
4. An application fee is payable on submission as determined by Council. The fee is not refundable.
5. A site plan must accompany this application and should indicate which portion of the house is proposed to be utilised for the shop.
6. Processing of the application will take approximately three (3) months.
7. The approval of the application is subject to Council's policy requirements, public participation and inputs from the various departments. The Municipality has the right to turn down any application if it does not meet the minimum requirements.

#### A. APPLICATION INFORMATION:

1. Address / locality of the property to which the application applies:

Erf Number:	
Street address:	
Town:	

2. Is the applicant the registered owner(s) of the property?  
(mark the block with **X**)

Yes:	
No:	

3. Applicant's details:

Name and surname :	
ID Number:	
Postal address:	
Telephone number:	

4. Which part of the property will be utilised for a house shop? :  
(Mark with X)

Bedroom:	
Lounge:	
Garage:	
Outbuilding:	
Any other:	Specify:

**NB: In the following cases house shops are not allowed:**

- The bathroom and kitchen may not be utilised as a house shop.
- A room which are used for sleeping purposes may not be utilized as a house shop.
- All structures must comply with the National Building Regulations.

5. Total area of the house shop:

m <sup>2</sup>
----------------

Total area of the house:

m <sup>2</sup>
----------------

**NB: The shop may not exceed 45% of the total area of the house (outbuildings excluded).**

6. List the products that will be sold from the house shop:

1.	6.
2.	7.
3.	8.
4.	9.
5.	10.

**NB: The following products may not be sold from the premises.**

- Alcoholic liquor
- The storage and sale of gas and gas cylinders (and any other flammable liquids).

**B. DECLARATION**

I, the undersigned confirm that the following documents are attached;

1. Application fee
2. Copy of owners ID
3. Site Plan
4. Neighbours consent (attached)

✓

and that all the information that appears on this form, as well as the attachments, is correct and complete and that this application is understood. **(NB: refer to the instructions on the front page),**

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

FULL NAME(S): \_\_\_\_\_

DATE APPLICATION SUBMITTED AT MUNICIPALITY: \_\_\_\_\_

## NEIGHBOURS CONSENT FORM








[illegible]



# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS








Date: Tuesday 14<sup>th</sup> November 2017, 11H00, Town Hall, Ceres

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
ADAM VENGOLINE	Burtonst 14 Bella Vista Ceres	072-859 1296	
Frank Witnaaf	290 Enkelastraat Bella Vista	0794532534	
DEWOL LITHE	THE HINES STREET 8 CERES	0710519340	
PETOP PETERSEN	KARIEE US B/NISTA		
Trevor Abrahams	Witz. Municipality	0845255037	
JOHN PEARSON	SHARKING ST 16	0762475552	
GERT VROEGIE	SPARKING ST 21	005 10955 69	

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS







Date: Tuesday 14<sup>th</sup> November 2017, 11H00, Town Hall, Ceres

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
DEBRA MOUTON	LOTUSSTRAAT 1	071 405 2341	
F. Kelly	CWDn	023 3123111	
C. Weisz	LOTUS STR 6	0761330128	
Mohan Bummer	Mekwegstr 240	08211213310	
ELIZABETH VALENSKY	MARSSTR 184 WYK 3 KONTIN	076029 2654	
ghilischat.	Santaquoda 18.		
Thembu mgyabozu	ward Councillor	0603977644	

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Tuesday 14<sup>th</sup> November 2017, 11H00, Town Hall, Ceres

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
J. F. NEL	Vosstr. 4 Ceres	072 234 1124	
JOHN ISAACS	Puifosstraat. 115	0837398430	
X			
A. M. M. M.	B/V 18 Japankes SP	0810884902	
CHRISTINE	Die Eiland	0764743483	
NICLAS	DELTA STR 677		
M. Mepomig	DIE - EILAND 122		

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Tuesday 14<sup>th</sup> November 2017, 11H00, Town Hall, Ceres

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
B Fritz	134 Delan White City Ceres		P Fritz
M. Ndumane Wagdy	Ndulu 23A Mesi Khule STR 561 LIMPOPO STRANT BEULA VISTA (BIG TIME)	071 084 7725 072 659 6102	Ad Seemee Wagdy
C. Du Toit	Tulp str 3.	0738510093	Du Toit
G. Du Toit	Tulp str. 3	0825321773	G Du Toit
O. SEROOT	34 JASMYN STR.	076 040 2878	O Seroot
W Hendricks	145 PAUL STR		W Hendricks

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS





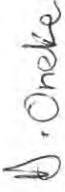


Date: Tuesday 14<sup>th</sup> November 2017, 11H00, Town Hall, Ceres

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Denise Hammet	Akasia Str 19 B/V	0736836926	Denise Hammet
JOHANNES HAMMAY	AKASIA STR. 19 B/V	0836182319	Johannes Hammay
FREDDIE SAS	BUTENSTR. 8 B/V	083 742 5479	Freddie Sas
KARREN ADAMS	WITZENBERG MUN	083 292 0566	Karren Adams
Joachim Visagie	witzenberg Mun	071 857 6380	Joachim Visagie
CHRISTOPHE SEROOT	121 PUTOSTREET CERES	071 287 0544	Christophe Seroot
Hennie Visagie	21 Naude'sk Ceres	0718731690	Hennie Visagie

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Tuesday 14<sup>th</sup> November 2017, 16H00, Community Hall, Montana, Wolseley

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
P. Daniels	31 7 <sup>th</sup> Lane Wolseley	0822187787	
D. Linneer	1 Court St 3 Wolseley	0826145819	
L. CARELSE	4 LASERENASTA Wolseley	0797978897	
JAN THOMAS	3 JANIFLAN ST	—	
D. Onke	25 Masibuke street Wolseley	0639714364	
W. T. T. T.	Ranobel St	—	
J. HARRIS	9 VEGIES TRAA T	062859032	



# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS








Date: Tuesday 14<sup>th</sup> November 2017, 16H00, Community Hall, Montana, Wolseley

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
J.J. ZEEMAN	205 Cann St	0826 232343	<i>Zeeman</i>
Kiepie	Wardani 40	—	<i>Kiepie</i>
N. Mkatshane	26 Sephumeleke	0718253748	<i>N. Mkatshane</i>
H. Stanley	DeBORA STREET-54	—	<i>Stanley</i>
H. PAULSE	64 MADELIEFIE STR	082 79678026	<i>Paulse</i>
Glause.	90A Renskoek St.	—	<i>Glause</i>
D. MUKKIE	Gous Blom St	0633359341	<i>D. MUKKIE</i>

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Tuesday 14<sup>th</sup> November 2017, 16H00, Community Hall, Montana, Wolseley

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
ELIAS FRANKS	LAVALL STREET 18	0744530156	
Nietjie Frans	Lavallstr. no.18	0744530156	
David Hoko	Walibongue Pine Valley		
Super Dave May	Dawida Str. 30	0610200100	
Linda Johnson	Belgimier 30 Wolseley		
Sophia Morris	Mosbawke str 42	0847265335	
Annie Boer	Eiland str 36		



# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS






Date: Tuesday 14<sup>th</sup> November 2017, 16H00, Community Hall, Montana, Wolseley

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
D. Haynes	3 ELWINA STN		D. Haynes
MAGDA PIERIE	16 LAZERENE STR.	063386614	Pierie
D. R. WINTERBURY	39 FULHAM STN.	023 231 1594	D. R. W.
C. LOTTERING	DELVEDERE SINGLE-23	0725972145	C. Lottering
W. G. G. G.	DAHLIA STREET 102	—	W. G. G.
MIRANE'S MOYS	18 RENONKEL STN	0832041374	Mirane's
X MATIWANI	168 MADANI STR	0604256643	X Matiwani

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Tuesday 14<sup>th</sup> November 2017, 16H00, Community Hall, Montana, Wolseley

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Aradul Booyen	5 DE Laan 38	0465424462	
Ab Swart	Moeleliffe 62	0983780020	
APela	HoReStr. 18	061133898	
TARIKUL ISLAM	Jamal Shop	0840505812	
NASIR	AL BARAKA	0844053470	

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Wednesday 15<sup>th</sup> November 2017, 16H00, Community Hall, Prince Alfred Hamlet

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Tears Fortuin	Albert Cutfuli 14	—	Tears Fortuin
Katriena Fortuin	Albert Cutfuli 14	—	+
Cupido Baran	Dea hagen 11	—	
J Roggi	Proet Tard van 4	071 0389266	C Baran
Johann	Reidstreet Sauls	36	
Katrien	Saarwattar 13	0594266502	K Saarwattar
Siphosidiyo	Piet meunou street S1795	—	X

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS




Date: Wednesday 15<sup>th</sup> November 2017, 16H00, Community Hall, Prince Alfred Hamlet

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Anna Titus	P.A Hamlet memberment str no	0134685885	A. Titus
EDWARD JONES	DELUET PAH	—	Jones
ERIC MOKONENG	Alfred dr 3 P.A. HAMLET	072645517	Mokono
JOHN KOUTER	P.A. HAMLET STR 32	0737585894	Kouter
JOHAN KHAHAY	P.A. HAMLET PHASE 25	0790169129	Kha
ISAKHENA	Alid Hamlet	0798223146	
Jakobo matli	Ashley Krieke <sup>1282</sup> Str Phase 4	0780552232	matli

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Wednesday 15<sup>th</sup> November 2017, 16H00, Community Hall, Prince Alfred Hamlet

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
ATTIE	ABRAHAM ST 6	071 7758600	
DECK	Jompo IBRAHIM Mohamed	0644894749	DECK
AHMED	Rooney Shop	0790554406	
ABDIWALI	7Dlaan Shop	0847283280	

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS


Date: Thursday 16<sup>th</sup> November 2017, 16H00, Nyukintaba Hall, Op die Berg

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Leuntor Baroni	641 WATERKANT STR ODB	083 8921022	Baroni
Gwen Franse	354 Riviersingel ODB	0833080614	Franse
Hannie Visserie	ODB	0148574391	Visserie
Martha Isaks	ODB.	0764936573	Isaks
Isak Isaks	ODB	0711 633541	Isaks
Sarel v Wijk	ODB.	0715661654	Wijk
Piet Oekhuys	ODB.	do.	PO

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Thursday 16<sup>th</sup> November 2017, 16H00, Nyukintaba Hall, Op die Berg

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Chriselda Mars	Op die berg	078 872 7067	delars
Max Roor	O.D.B.	0833648397	W. Roor
Margdalena van Wyk	O.D.B.		M.V. Wyk
Jannet Stassen	O.D.B.		+
Ian Komphib	O.D.B.		
Eileen Esterhuizen	O.D.B.	0714839832	E. Esterhuizen
Gertie de Zass	O.D.B.		G. Zass



# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Thursday 16<sup>th</sup> November 2017, 16H00, Nyukintaba Hall, Op die Berg

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
ALIDA Joris	Op die Berg	0622431469	A Joris
Soncke	Op die Berg		Soncke
Teffeney Pictorius	Op die Berg	0628551254	T. Pictorius
Sunette Van Wyk	Op die Berg	0783786018	S. van Wyk
SANNA Pictorius	Op die Berg	0628551254	S. Pictorius
Chalezda Abraham	Op die Berg	071 796 4756	Abraham
Gertruida Pries	Op die Berg		G. Pries



# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Thursday 16<sup>th</sup> November 2017, 16H00, Nyukintaba Hall, Op die Berg

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Rose Karstens	waterkantstraat 526		R. Karstens
	Sarah Reddy 272		
Kate Smith	OP-D.B		K. Smith
Julene Isref	!!	0736660479	J. Isref
Nicolaas Onck	Klara Mayola Stebb	0729843427	N. Onck
Susan Ver Meulen	OP-D.B		S. Ver Meulen
Ann Reddy	!!		A. Reddy

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Thursday 16<sup>th</sup> November 2017, 16H00, Nyukintaba Hall, Op die Berg

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
M - Nell	Waterkant Street	533	+
W v Wyk	bank gewag slot	667	Dolwyk
Ella Hoff	Waterkant Str.	640	5
LEA VAN WYK	RIVERSINGEL 345	078 933 1731	Krauwgr
Johnny Cupido	MADIBA STR. 516	072 285 2535	<del>Accepted</del>
Anna van Wyk	Klaterkantstr. 639	073 687 6675	Blank
Beatrix Cupido	Madibastr. 516	072 0835 259679	B. Cupido

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

**Date: Thursday 16<sup>th</sup> November 2017, 16H00, Nyukintaba Hall, Op die Berg**

[illegible]

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Monday 20<sup>th</sup> November 2017, 16H00, Community Hall, Tulbagh

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Maria Johannes	3de laan 204		M Johannes
Anna Williams	5de laan 76		Anna
Elsie Fikster	5de laan 1090		E. Fikster
alice klein	6 sesdelaan		A klein
Carol Abrahams	1st laan 20	0734121893	C Abrahams
Wullem Hoiberg	Meeuwstr. 8		
D. Maurilius	Zahn Str. 110.7	0232301424	DP. My

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS






Date: Monday 20<sup>th</sup> November 2017, 16H00, Community Hall, Tulbagh

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
CINDY MOAHLELI	3211 OBISQUA SINGLE	0631945668	T.C. Moahloli
Deloris markus	8 klapper str		Dmarkus
Nceba	NO10 AKASIA STREET	0780339728	
Anna Paulse	17 C Paulse	0810441933	AL Paulse
Charlene Smit	taugh street 3239	0825186836	C.Smit
Paul Davids	56 FOURTH AVENUE	0606167320	
Piet Brinck	Takaisanda ST 4	0848515577	

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Monday 20<sup>th</sup> November 2017, 16H00, Community Hall, Tulbagh

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
ELIZABETH SIDEN	9 MICHAEL STR TULBAGH	072-044 8653	
Eunice Jacobs	32 Kapperstr. Tulbagh	0784086846	E Jacobs
Andrus Dumas	12 IKHANGA STR. Tulbagh	0800 555 721	
M. Sdomonovs	16 Houtg. H. ST.		
	Kapperstr 2	0790603372	
NYR PEDRO	VIERDE LIAAN 52	07373 44252	
Lillian Hollies	3de LIAAN		L Hollies

# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Monday 20<sup>th</sup> November 2017, 16H00, Community Hall, Tulbagh





NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Itanna Souls	3delaan 74	073/7676579	<i>Itanna</i>
Henrico Louw	2 de laan 7	0787533791	<i>Henrico</i>
Ragel Louw	Eikeleaan 11	084 3842 858	<i>Ragel Louw</i>
Joe May	Poortelane	07912765130	<i>Joe May</i>
MARIA HARTSE	EERSTE LANNABES		<i>M. Hartse</i>
Elsa Louw	Fesante Str	074234718	<i>Elsa</i>
Henrik Salomons	Puifstraat 67		



# WITZENBERG MUNICIPALITY

## ATTENDANCE REGISTER: DRAFTING A BY-LAW REGULATING HOUSE SHOPS

Date: Monday 20<sup>th</sup> November 2017, 16H00, Community Hall, Tulbagh

NAME	ADDRESS	CONTACT NUMBER	SIGNATURE
Siyamthanda Dastile	19 Rossonw Str	073 777 3381	
MATTHEW	Besa hout 27		
STANTON	DENNE LAAN	8christians@capependure.co.za	
L. MAUG	94 Vyfte laan 94		L. maug
V. Jannerie	8 Steinveldweg		



## Huiswinkel Werkswinkels

### Gemeenskaps Insette

#### Notule van Huiswinkel Verordening Werkswinkel – Ceres Stadsaal – 13 November 2017 @11h00

1. Versoek van vloer dat die tydsbeperking van 3 maande vir die hantering van 'n aansoek as 'n klosule in die Verordening ingevoeg word.
2. Tydperk vir kommentare op aansoeke ingevoeg word.
3. Advertering van aansoeke. Moet die verifikasie van handtekeninge van die bure deur WyksRaadslid gedoen word?
4. Klosele 4 vereistes vir aansoeke:
5. Klosele 4(b). Vereiste vir vloerplan i.p.v terreinplan.
6. Ook klosele invoeg vir SARS registrasie.
7. Besigheidslisensie jaarliks hernubaar neergelê as 'n voorwaarde van goedkeuring.
8. Dienste. Geen addisionele aansluitings of vergroting van kapasiteit neergelê as 'n voorwaarde van goedkeuring.
9. Definisie van "eienaar" moet insluit die direkte afhanklikes & die applikant moet afhanklikes lys op aansoekvorm.
10. Klosele 6 (6) – tye vir somer en winter. Somer 10pm. Winter vroeër.
11. Slaap in die winkel verbied as 'n voorwaarde.

#### Notule van Huiswinkel Verordening Werkswinkel – Wolseley Montana Stadsaal – 14 November 2017 @ 16h00

1. Advertering van aansoeke. Moet die verifikasie van handtekeninge van die bure deur WyksRaadslid gedoen word?
2. Boete onder klosele 9 moet deur Landdros vasgestel word.
3. Dit moet voorwaarde van aansoek wees dat applikant by SARS registreer.

#### Notule van Huiswinkel Verordening Werkswinkel – Prince Alfred Hamlet Gemeenskapsaal – 15 November 2017 @ 16h00

1. Bekommernis oor kinders wat by huiswinkels uithang en afdwing van die Rookregulasies.
2. Daar is gevalle wat 'n persoon meer as 1 winkel besit.
3. Voorwaarde moet neergelê word wat persone verbied om binne die winkel te slaap.

#### Notule van Huiswinkel Verordening Werkswinkel – Die-dorp-op-die-Berg Gemeenskapsaal – 16 November 2017 @ 16h00

1. Afstand van 200m tussen winkels. Is dit relevant tot Dorp-op-die-Berg?
2. Boete – Landdros van die Distrik moet boete vasstel wat jaarliks aangepas kan word.
3. Kan bestaande winkels voortbestaan onder die nuwe Verordening?
4. Kan die aansoekfooi vir pensionarisse verminder word?

Notule van Huiswinkel Verordening Werkswinkel – Tulbagh Gemeenskapsaal – 20 November 2017 @ 16h00

1. Beperking moet geplaas word dat geen luide musiek by winkels gespeel mag word nie.
2. Hoe word informele areas hanteer waar mense nie erwe het nie.
3. Versoek dat aansoekvorms op elke dorp beskikbaar gestel word.
4. Versoek dat pamflette versprei word.

**8.4.1 Draft Standard By-law on the Rules of Order for the meetings of the Witzenberg Council and its committees  
(1/3/1/25)**

Item 7.4.1 of the Executive Mayor and Mayoral Committee meeting, held on 26 September 2017, refers.

The following memorandum, dated 20 September 2017, was received from the Executive Mayor:

"1. Purpose

To introduce to Council the new Draft Standard By-law on the Rules of Order for the meetings of the Witzenberg Council and its committees.

2. Object of the Rules of Order

The Draft Standard By-law on the Rules of Order for the meetings of the Witzenberg Council and its committees is attached as **annexure 8.4.1**.

The object of the Rules of Order is to provide for the internal arrangements, business and proceedings of the Council and committees of the Witzenberg Municipality and all other matters in connection therewith. The Rules of Order specifically deals with the meeting process (which includes the roles of various role-players), decisions taken at a meeting, attendance of both councillors and members of public, conduct in meetings, debates and motions to be discussed at meetings, legislative processes and other miscellaneous matters such as inter alia language and offences.

3. Current situation

The existing Rules of Order was promulgated and gazetted in the Provincial Gazette 6345 on 24 February 2006. The Council adopted a new Rules of Order per item 9.2 of 26 November 2009. The Rules of Order was, however, never promulgated as a by-law. If Council conditionally adopts the new Draft Rules of Order, same will be advertised for a minimum of 30 days to obtain public inputs. The draft document, together with all public inputs, will be referred back to Council for final adoption, after which it will be promulgated into a by-law."

The Executive Mayor and Mayoral Committee resolved on 26 September 2017:

That the Executive Mayor and Mayoral Committee recommend to Council:

- (a) that Council provisionally adopts the Draft By-Law on the Rules of Order for the meetings of the Witzenberg Council and its committees.
- (b) that the Draft By-Law be advertised for public comments for at least 30 days.
- (c) that the Municipal Manager as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.

**UNANIMOUSLY RESOLVED**

- (a) *that Council provisionally adopts the Draft By-Law on the Rules of Order for the meetings of the Witzenberg Council and its committees.*
- (b) *that the Draft By-Law be advertised for public comments for at least 30 days.*
- (c) *that the Municipal Manager, as soon as possible after the closing date for public comments, submits a report to the Executive Mayoral Committee for a recommendation to Council.*

## PUBLIEKE KENNISGEWING

In terme van Art 156(2) van die Grondwet van die Republiek van Suid Afrika word 'n Munisipaliteit gemagtig om verordeninge te maak en te administreer vir die effektiewe administrasie van sy sake.

Kennis word hiermee gegee van die Raad se voornemens om 'n Verordening oor Reëls van die Orde vir die Vergaderings van die WitzenbergMunisipaliteit se Raad, sy komitees en openbare vergaderings te maak. 'n Afskrif van die konsep Verordening is ter insae by alle Munisipale kantore sowel as biblioteke en ook op ons webtuiste.

U word hiermee uitgenooi om enige voorstelle tot wysigings, toevoegings en weglatings te maak, welke skriftelike voorstelle voor of op **8 Desember 2017** by die kantore van die Munisipale Bestuurder vir aandag Me. L. Nieuwenhuis by Voortrekkerstr. 50, Ceres in te dien of e-pos na liza-mari@witzenberg.gov.za

## PUBLIC NOTICE

The Municipality is empowered in terms of Sec 156(2) of the Constitution of the Republic of South Africa to make and administer by-laws for the effective administration of the matters which it has the right to administer.

Notice is hereby given of Council's intention to draft a By-Law on The Rules of Order for the Meetings of the Witzenberg Council, its Committees and public meetings. A copy of the draft By-Law can be viewed at any Witzenberg Municipal Office, Library within the district, as well as the official website.

Any and all proposals for amendments, additions and deletions to the draft are welcome and should be forwarded to the office of the Municipal Manager for the attention of Mrs. L. Nieuwenhuis at 50 Voortrekker Street, Ceres or e-mail: liza-mari@witzenberg.gov.za on or before the **8th of December 2017**.

**D. NASSON**

**MUNISIPALE BESTUURDER**

**MUNICIPAL MANAGER**

**50 Voortrekker St. / Voortrekkerstr. 50**

**P.O. Box / Posbus 44, CERES, 6835**



15 x 4 (AFR + ENG)

R2 460

BTW + V/K ing

2017/11/03

RULES OF ORDER

**BESTELNO:**

149983

**Liza-Mari Nieuwenhuis**

☎ (023) 316-1854

liza-mari@witzenberg.gov.za

**REK: M06**

# **DRAFT BY-LAW ON THE RULES OF ORDER FOR THE MEETINGS OF THE WITZENBERG COUNCIL AND ITS COMMITTEES**

**To provide for Rules of Order for the internal arrangements and the business and proceedings of the Council of the Witzenberg Municipality and its Committees, and to provide for matters in connection therewith.**

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## CHAPTER 1

### INTRODUCTION

#### Definitions

1. In this by-law, including the rules, unless the context indicates otherwise —

**"Code"** means the Code of Conduct for Councillors set out in Schedule 1 to the Systems Act;

**"committee"** means a committee established by the Council in terms of section 79 of the Structures Act;

**"Council"** means the municipal council of the Witzenberg Municipality;

**"councillor"** means a member of the Council, including a political office bearer as referred to in section 1 of the Systems Act;

**"Constitution"** means the Constitution of the Republic of South Africa, 1996;

**"meeting"** means any meeting of the Council;

**“member”** means a member of a committee;

**“member of the public”** means a person who is not a councillor or an employee of a municipality and who attends a meeting of the Council or a committee;

**“municipality”** means the Witzenberg Municipality;

**"Municipal Manager"** means the person appointed as municipal manager by the Council in terms of section 54A of the Systems Act, or a person delegated by the Municipal Manager;

**"Provincial Minister"** means the provincial minister responsible for local government in the province;

**"rules"** means the rules provided for in this by-law;

**“law enforcement”** means a person in the employ of the Municipality and who may be requested by the Speaker to maintain order during council meetings and assisted by such staff members as the circumstances may require;

**"Speaker"** means the Speaker of the Council elected under section 36 of the Structures Act or a councillor elected as acting Speaker under section 41 of the Structures Act;

**"Structures Act"** means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

**"Systems Act"** means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

**“whip”** means a member of the Municipal Council appointed by each political party represented in the Council; and

**“working day”** means any day of the week except Saturday or Sunday or a public holiday.

## **Application of rules**

2. (1) These rules apply to all meetings.
- (2) Except where it is clearly inappropriate, a rule applying to a councillor in any proceedings also applies to a member of the public who takes part in those proceedings.
- (3) These rules apply to all meetings of committees except to committees established in terms of item 14(1)(b) of the Code and section 62 of the Systems Act. Unless clearly inappropriate, any reference to the Council is regarded as a reference to the committee, and any reference to the Speaker is regarded as a reference to the chairperson of the committee or a person acting as the chairperson of the committee.

## **Duty of Speaker, councillors and members of the public**

3. The Speaker, councillors and members of the public must familiarise themselves with these rules.

## **CHAPTER 2**

### **MEETINGS**

#### **Order of business**

4. (1) The order of business in ordinary meetings is as follows, unless the order has been changed in terms of sub-rule (2)-
  - (a) election of acting speaker, if necessary;
  - (b) application for leave of absence;

- (c) confirmation of minutes;
- (d) statements and communications by the Speaker;
- (e) statements and communications by Executive Mayor or executive committee;
- (f) consideration of reports;
- (g) report on delegated powers;
- (h) urgent matters submitted by the Municipal Manager;
- (i) consideration of motions;
- (j) consideration of questions;
- (k) consideration of motions of exigency; and
- (l) adjournment.

(2) The Speaker may change the order of business appearing on the agenda.

(3) A councillor who wishes to have the order of business on the agenda changed must approach the Speaker prior to the meeting.

## **Agenda**

5. (1) The Speaker or Municipal Manager or a person designated by the Municipal Manager must prepare the agenda for a meeting.

(2) The Speaker may at any time during a meeting introduce an urgent matter which does not appear on the agenda, unless the Council resolves otherwise.

(3) Except as otherwise provided in these rules or in terms of sub-rule (2), no matter not appearing on the agenda may be transacted at a meeting, except

any matters which the relevant chairperson considers urgent and said chairperson has ruled the matter to be urgent.

- (4) The Municipal Manager may raise matters which in his/her discretion is urgent for decision by the Council. A matter will be deemed urgent when the decision required, if delayed, will prejudice the Council and/or its operations.

## **Meetings**

- 6. (1) The Council must meet at least quarterly, as required by section 18(2) of the Structures Act.

- (2) All meetings must be open to members of the public, unless they have been excluded under rule 17.

- (3) Subject to sub-rule (1), the Speaker decides when and where the Council meets.

- (4) The Municipal Manager or, in his or her absence, a person designated by the Municipal Manager must give notice to each councillor and to the public of every meeting.

- (5) If the position of Speaker is vacant, the Municipal Manager or, in the absence of the Municipal Manager, a person designated by the Provincial Minister, must —

- (a) convene a special meeting to elect a speaker or an acting speaker, and

- (b) give notice to each councillor and to the public of the meeting.

- (6) (a) The Speaker may at any time of own accord, and shall upon request in writing of a majority of councillors, call a special council meeting, provided that no such meeting shall take place unless all councillors were given at least 48 hours' notice prior to the date and time set for the meeting.

- (b) A notice by the majority of councillors must clearly indicate the business that will be conducted at the special council meeting. No other business may be conducted at the special council meeting.
- (7) The notice referred to in sub-rules (4) and (5) must state the date, time and venue of the meeting, and must be —
  - (a) given in writing, together with the agenda, to each councillor by any reasonable means to achieve the purpose;
  - (b) published in a local newspaper determined by the Municipal Manager or a person designated; and
  - (c) posted on a notice board at the municipality's head office.
- (8) The Municipal Manager or a person designated under sub-rule (4) or (5) may depart from the requirement of sub-rule (6)(b) in the case of an urgent or special meeting when time constraints make it impossible to comply with the requirement.
- (9) At least seven (7) days before any ordinary meeting of the Council and at least 48 hours before any special meeting of the Council, a notice to attend the meeting, specifying the business proposed to be transacted there at and signed by the Speaker, or Municipal Manager if so designated by the Speaker, shall be left at or delivered to an accessible distribution point within the municipality as determined by the Council from time to time/send by electronic mail to an address provided by the councillor as his/her official address/mail address.

- (10) Accidental omission to serve on any councillor a notice of meeting shall not invalidate the proceedings of that meeting.

### **Functions of Speaker regarding meetings**

7. (1) The Speaker must take the chair precisely at the time the meeting has been scheduled for.
- (2) In addition to the functions referred to in section 37 of the Structures Act and any other law, the Speaker —
- (a) must preserve decorum in meetings;
  - (b) must give a ruling in respect of a question of order raised by a councillor, including a question in relation to the priority of the business; and
  - (c) may give a ruling in respect of any procedural eventuality for which these rules do not provide.
- (3) The ruling referred to in sub-rule (2) must be entered into the minutes.

### **Attendance by councillors**

#### **A councillor —**

- 8.1 shall, subject to item 3 of the Code, rule 9 and rule 19, attend each meeting and must sign his or her name in the attendance register;
- 8.2 shall disclose to the Council, or to any committee of which that councillor is a member, any direct personal or private business interest that the councillor, or



the spouse, partner or business associate of that councillor, may have in any matter before the council or the committee; and

- 8.3 shall withdraw from the proceedings of the Council or committee meeting when the matter is being considered by the Council or committee, unless the Council or the committee decides by resolution that the councillor's direct or indirect interest in the matter is trivial or irrelevant. A councillor who has so disclosed his/her interest may, with the approval of majority of the members of the Council or its committee, address the Council or committee on the matter prior to the deliberation and vote on the matter taking place, subject always to the ruling of the Speaker or chairperson on the time to be allowed for such an address.
- 8.4 A councillor who, or whose spouse, partner or business associate or close family member, acquires 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 Council or committee of the Council at which it is possible for the councillor to make a disclosure.
- 8.5 This provision does not apply to an interest or benefit which a councillor, or a spouse, partner or business associate or close family members, has or acquired in common with other residents and ratepayers of the municipality.

#### **Procedure for leave of absence**

9. (1) A councillor must, before absenting himself or herself from a meeting, make an application to the Speaker by signing a leave form and delivering the completed leave form to the Municipal Manager at least 72 hours before the meeting.
- (2) The Municipal Manager must submit the application to the Speaker before the commencement of the meeting.

- (3) Upon receipt of the application referred to in sub-rule (1), the Speaker must consider the application and may approve or reject the application. The Speaker must notify the councillor of his or her decision at least 24 hours before the meeting.
- (4) The Speaker, on good cause shown, may grant leave of absence to a councillor who has been prevented by special circumstances from applying for leave of absence in accordance with sub-rule (1).
- (5) The special circumstances referred to in sub-rule (4) may include —
  - (a) illness of the councillor; or
  - (b) illness or death in the family of the councillor; and
  - (c) any emergency situation that may arise.
- (6) The names of all councillors present at a meeting and of all councillors to whom leave of absence from the meeting has been granted must be entered into the minutes.
- (7) If the Speaker rejects the application referred to in sub-rule (1), he or she must provide a reason therefore.
- (8) Sub-rules (1) to (6) apply, with the necessary changes, in respect of the Speaker, and in such application, a reference in those sub-rules to the Speaker is regarded to be a reference to the Council.

### **Sanctions for non-attendance**

- 10. (1)** Except for the instances contemplated in rule 9(4) and (5), a councillor is in breach of the rules if he or she without leave —

- (a) absents himself or herself from a meeting;
  - (b) fails to be in attendance at the commencement of a meeting; or
  - (c) fails to remain in attendance until the end of a meeting.
- (2) A councillor who is absent from three or more consecutive meetings which he or she is required to attend in terms of rule 8 is in breach of the Code.
- (3) The Council may appoint a special committee comprising of councillors to investigate and report to the Council on any alleged breach referred to in sub-rule (1) or (2).
- (4) The special committee must notify the councillor in writing of his or her alleged breach of the rules or the Code. The councillor must be given seven days from date of the written notice to respond in writing regarding the alleged breach.
- (5) The Council must decide whether the rules or the Code has been breached or not, after receiving a report from the special committee.
- (6) If the Council finds that a councillor has breached the rules as contemplated in sub-rule (1), the Council must fine the councillor 10% of his or her monthly salary.
- (7) If the Council finds that a councillor has breached the Code as contemplated in sub-rule (2), the Council must request the Provincial Minister to remove the councillor from office.
- (8) Sub-rules (1) to (7) apply, with the necessary changes, in respect of the Speaker.

## **Minutes**

11. (1) The Municipal Manager must —
- (a) compile the minutes of the proceedings of a meeting in writing within two weeks of the meeting; and
  - (b) provide each councillor with a copy of the minutes within a reasonable period.
- (2) The minutes of a meeting must be considered by the Council at its next meeting and, if confirmed, must be signed by the Speaker.
- (3) The Municipal Manager must keep a record of the signed minutes.
- (4) The minutes are taken as read, for the purpose of sub-rule (2), if they were provided to each councillor within a reasonable period before the meeting considering them.
- (5) No motion or discussion is allowed on the confirmation of the minutes, except in connection with the correctness thereof.
- (6) If a councillor is dissatisfied with the correctness of the minutes, the councillor must —
- (a) state the item with which he or she is dissatisfied; and
  - (b) propose a motion clearly outlining the alternative wording to amend the minutes.
- (7) The minutes of a meeting must set out the date, time and place of the meeting and the decisions or other action taken at the meeting.

## **Quorum**

**12.** (1) A majority of the councillors constitutes a quorum as referred to in section 30(1) of the Structures Act.

- (2) If there is no quorum at the time for which the meeting is scheduled, the Speaker must take the chair as soon as a quorum is present.
- (3) Whenever there is no quorum, the start of the meeting must be delayed for no longer than 30 minutes and if at the end of that period, there is no quorum, the Speaker must adjourn the meeting for another time, date and venue at his or her discretion and record the names of those members present.
- (4) Whenever the Speaker is not present and there is no quorum, the start of the meeting must be delayed for no more than 30 minutes and if there is no quorum at the end of that period, no meeting may take place and the Municipal Manager must record the names of the members present.
- (5) Whenever during a meeting there is no quorum, the Speaker must suspend the proceedings until a quorum is again present, provided that if after 10 minutes or such longer time the Speaker may allow, there is still no quorum, the Speaker must adjourn the meeting.
- (6) Whenever a meeting is adjourned owing to the absence of a quorum, the time of such adjournment, as well as the names of the members present, must be recorded in the minutes.
- (7) The Speaker must report the names of the absentee members to the committee appointed in terms of rule 10(3) for the purposes of an investigation of a breach of these rules.

### **CHAPTER 3**

## **DECISIONS**

### **Unopposed matters**

- 13.** Whenever Council is called upon to consider a matter before it and there is no opposition from any councillor, a unanimous vote will be recorded in the minutes.

### **Opposed matters**

- 14.** (1) The Speaker must put every opposed matter to the vote by calling upon councillors to indicate by a show of hands, unless otherwise prescribed by any law or the Council resolves otherwise, whether they are for that matter or against it, whereupon the Speaker must announce the result of the vote.
- (2) Upon the announcement of the result of a vote, a councillor may demand that his or her vote be recorded against the decision concerned.
- (3) If there is an equality of votes on any matter, the Speaker must exercise a casting vote.

### **Decisions**

- 15.** (1) In accordance with section 160(3) of the Constitution, a supporting vote of a majority of councillors is necessary to decide on —
- (a) the passing of by-laws;
- (b) the approval of the budget;
- (c) the imposition of rates and other taxes, levies and duties; and
- (d) the raising of loans.

- (2) In accordance with section 34 of the Structures Act, a supporting vote of at least two-thirds of councillors is necessary to adopt a decision to dissolve the Council.
- (3) All other questions before the Council are decided by a majority of the votes cast, as contemplated by section 160(3)(c) of the Constitution.
- (4) If there is an equality of votes on any question, the Speaker must exercise a casting vote, as contemplated by section 30(4) of the Structures Act.

## **CHAPTER 4**

### **ATTENDANCE BY MEMBERS OF THE PUBLIC**

#### **Attendance by members of the public**

- 16.** The Speaker must take reasonable steps to regulate public access to and public conduct at meetings.

#### **Exclusion of the public from meetings**

- 17.** (1) The public may be excluded from the meeting —
- (a) where so directed by the Speaker; or
  - (b) where so decided by Council upon a motion from any councillor to that effect.

- (2) If a motion to exclude the public from the meeting is seconded, the motion must be put to the vote, after discussion of the reasons but without discussion of the matter.
- (3) If a motion to exclude the public is carried, the place of meeting shall be cleared of all members of the public, including the media.
- (4) The motivation for the exclusion of the public must be minuted.

### **Re-admission of members of the public**

- 18.** (1) A councillor may during the course of a meeting from which the public were excluded, move a motion "that the meeting again be opened" and state the reasons for the motion.
- (2) If the motion is seconded, it must be put to the vote forthwith without debate.
- (3) If the motion is carried, the Speaker must ensure that members of the public are allowed access to the meeting again.

## **CHAPTER 5**

### **CONDUCT IN MEETINGS**

#### **Conduct of councillors and members of the public**

- 19.** (1) Councillors and members of the public must preserve order and decorum at meetings, and they may not —
- (a) behave in an unseemly manner;
  - (b) obstruct the business of a meeting;



- (c) challenge the ruling of the Speaker on any point of order; or
  - (d) commit any breach of the rules.
- (2) The Speaker or the chairperson of the meeting in the event of a meeting other than a Council meeting shall:
- 2.1. maintain order during meetings;
  - 2.2. ensure compliance with the Code of Conduct for councillors during meetings;
  - 2.3. ensure the meetings are conducted in accordance with the rules;
  - 2.4. ensure the members conduct themselves in a dignified and orderly manner during meetings;
  - 2.5. ensure that members of the public attending meetings are seated in areas designated for that purpose;
  - 2.6. ensure that members of the public attending meetings conduct themselves in an orderly manner and obey any ruling made by the Speaker or chairperson of the meeting;
  - 2.7. ensure that any councillor or member of the public refusing to comply with the ruling of the Speaker or chairperson leaves the meeting; and
  - 2.8. ensure that the whip of each political party represented in the municipal Council maintains discipline during any meeting.
- (3) If a councillor or member of the public breaches sub-rule (1), the Speaker must direct the councillor or member of the public to refrain from the breach.

- (4) If a councillor or member of the public disregards the directions of the Speaker under sub-rule (2), the Speaker may direct the councillor or member of the public —
- (a) if speaking, to discontinue his or her speech; or
  - (b) to withdraw from the place of meeting for the remainder of the meeting or, if necessary, to be removed by the Sergeant at Arms.
- (5) The Speaker or a chairperson may exclude from a meeting, for such period of time during the meeting as he/she may deem fit, any member who has so committed an act of misconduct or behaved in an unseemly manner or persistently obstructed the business of the meeting or disregarded the authority of the chair, provided that a formal process will be initiated after the conclusion of the meeting.
- (6) Where a councillor refuses to retire or in the event of more than one councillor having to be ejected from the meeting, and such councillor/s refuse/s to leave the meeting, the Speaker shall request the Sergeant at Arms to facilitate the removal of such councillor/s from the chamber. If this cannot be done orderly, the chairperson of a meeting may adjourn proceedings for a period not exceeding 15 minutes, in order for the relevant councillors to retire or to be ejected from the venue of the meeting. If, at the resumption of proceedings, the councillor/s have not left / been ejected, the meeting may be adjourned for another 10 minutes to address the situation. The chairperson may rule that after the second adjournment, the meeting will re-convene at another venue and any councillor/s ordered to retire or so evicted or ordered to be evicted will be refused entry to the alternative venue. The Sergeant at Arms of the

Council will ensure that such councillor/s does/do not enter such an alternative venue.

- (7) If the Speaker fails to act under sub-rule (3), any councillor may move a motion to require the Speaker to do so.
- (8) The motion referred to in sub-rule (4) must be moved without notice, and if the motion is seconded, it must be put to the vote forthwith without debate.
- (9) Any person, other than a councillor, who misconducts himself or herself, behaves in an unseemly manner or interrupts the proceedings of the Council or any committee at any meeting shall, if the Speaker or chairperson so directs, be removed from the chamber or the venue where the meeting is being held. If the person refuses to leave, the Sergeant at arms will be responsible to remove such person from the meeting. The chairperson may exclude such person from further admittance to the Council chamber or the meeting venue for such period as it may be deemed fit.

## **CHAPTER 6**

### **DEBATE AND MOTIONS**

#### **Addressing the Speaker**

- 20.** (1) A councillor or a member of the public who is recognised to speak at a meeting must address the Speaker.
- (2) A member of the public who is recognised by the Speaker must state his or her name and, if he or she is representing an organisation or any group, identify the organisation or group.

## **Right to speak and limitation**

**21.** (1) A councillor may speak or proceed to speak at a meeting after being recognised by the Speaker.

(2) A councillor who is not a member of a committee may request the Chairperson of that committee meeting to speak, which permission will be at the sole discretion of the Chairperson and which will not reasonably be withheld.

(3) A councillor must avoid personal attacks on other councillors and must refrain from impugning the motives for any argument or vote of another councillor.

(4) A councillor may speak only once to —

(a) the matter before the Council;

(b) any motion before the Council;

(c) any amendments to a motion before the Council; or

(d) a point of order or a question,

unless authorised by the Speaker or as provided for in these rules.

(5) A councillor may not be interrupted while speaking, unless called to order by the Speaker or a point of order is raised by any other councillor.

(6) The Speaker may not recognise a councillor to speak on a matter once that matter has been voted on.

(7) The Speaker may not allow a debate on a matter —

(a) which may anticipate any matter on the agenda; or

- (b) in respect of which a decision by a judicial or administrative body or a commission of enquiry is pending.

## **Debate Management**

- 22.** (1) At least 24 hours prior to a meeting of Council, the political whips of the parties in Council must provide to the Speaker a list showing-
- (a) which items on the agenda for that meeting are to be debated; and
  - (b) the total time to be allocated to the debate of each item, provided that the maximum time allocated for debate on each item on the agenda will be thirty (30) minutes or any such time as decided on by the Speaker.
- (2) Based on the list drawn up in terms of sub-rule (1), each party must deliver to the Chief Whip, at least 12 hours before a Council meeting, a list of the councillors who will speak on an item and the time allocated to each such councillor, which will not be more than three (3) minutes, provided that the total time allocated to all councillors of a party shall not exceed one-third of the time allocated to that party in terms of sub-rule (1)(b).
- (3) On receipt of the lists referred to in sub-rule (2), the Speaker must, if he or she wishes to deviate from the provisions of those lists, convey his or her decision in this regard to the whips of the parties within a reasonable time prior to the Council meeting.
- (4) All matters before the Council which are not listed in accordance with sub-rule (1) must individually be put to the meeting for adoption without debate before the matters listed in sub-rule (1) are considered.
- (5) At the discretion of the Speaker, a time of three minutes of response may be allowed to the Mayor or relevant member of the mayoral

committee, or the mover of a motion, to conclude the debate on an item debated in terms of sub-rule (2).

- (6) Notwithstanding any provisions contained in sub-rules (1) to (5), the Speaker may not, when exercising any discretion in terms of these Rules, prejudice any party in respect of time allocated in relation to any party. The ruling of the Speaker after exercising his/her discretion in this regard shall be final.

### **Content of debate**

- 23.** (1) A councillor who speaks must direct his or her speech to the matter before the Council.

(2) If a councillor persists in irrelevance after being requested by the Speaker to confine his or her speech to the matter before the Council, the Speaker must order him or her to be seated and not to speak further in respect of that matter.

(3) Councillors and members of the public must preserve order and decorum at meetings, and they may not indulge in tedious repetition of arguments, or unbecoming language or remarks which are of a defamatory nature.

### **Points of order**

- 24.** (1) A councillor may interject during a meeting to raise a point of order to call the attention of the Speaker to a breach of the rules or a statutory provision.

(2) A point of order may be raised in relation to —

- (a) a procedural matter; or
- (b) the conduct of a councillor, a member of the public, or an employee of the municipality.

(3) A councillor raising a point of order must immediately be heard, and he or she must —

(a) state the point of order; and

(b) the rule or statutory provision that is being breached.

(4) A councillor who is speaking when a point of order is raised must immediately stop speaking until the point of order is ruled on by the Speaker. All other matters before the Council must be suspended until the point of order is ruled on.

(5) If ruled to be in order, the councillor must be allowed to proceed with his or her speech.

(6) If ruled to be out of order, the councillor must remain silent or must retract or change any remarks so as to comply with the ruling.

(7) The Speaker's ruling on a point of order is final and not open to debate, and it must be entered in the minutes.

## **Explanations**

**25.** (1) The Speaker may allow a councillor to explain a previous speech, but only when and to the extent that a material part of the speech may have been misunderstood.

(2) The councillor giving the explanation may not introduce any new matter, and no debate on the explanation may be allowed.

## **Motions**

**26.** A councillor may move a motion only when it is put by the Speaker and if seconded by another councillor, except if provided otherwise in these rules.

## **Notice of motions**

- 27.** (1) Unless provided otherwise in these rules, a notice of motion must be in writing, motivated, signed by the relevant councillor, dated and delivered to the Speaker at least six (6) working days before the date of the meeting at which it is to be moved.
- (2) The Speaker must either put the motion in the agenda or refer such motion to the committee which is dealing with the matter.
- (3) Sub-rule (1) does not apply to the following motions:
- (a) a motion of exigency; or
  - (b) a motion of course.

## **Questions**

- 28.** (1) After a motion has been moved and seconded or at the conclusion of any speech on the motion, a councillor may ask put question relevant to the motion to any other councillor.
- (2) No supplementary questions may be asked, except by the councillor who asked the question and then only in respect of matters arising out of the reply to that question.
- (3) The councillor to whom the question is directed may either reply thereto forthwith or require that notice be given of the question.
- (4) The notice referred to in sub-rule (3) must be in writing, signed by the relevant councillor, dated and delivered to the Speaker and the Municipal Manager.



(5) When the Municipal Manager receives the notice, he or she must within five (5) days forward the notice to the councillor to whom the question has been directed and —

(a) request the councillor to submit a reply to the question in writing to the Municipal Manager; and

(b) notify the Speaker of any reply received in respect of the question.

(6) The Speaker must ensure that the reply is placed on the agenda of the next meeting.

(7) A councillor may ask a question requiring a written reply from another councillor concerning any matter related to the effective performance of the municipality's functions and the exercise of its powers.

(8) Notice of a question in sub-rule (7) must be given in writing, signed by the relevant councillor, dated and delivered to the Speaker and the Municipal Manager. The procedures in sub-rules (5) and (6) apply to the question.

### **Motions of exigency**

**29.** (1) A councillor may direct the attention of the Council to any matter which does not appear on the agenda, and of which no notice has been given, by stating briefly the subject of the matter and without comment thereon moving a motion "that the motion to which attention has been directed be considered forthwith as a matter of exigency".

(2) If the motion in sub-rule (1) is seconded and carried, the member who moved the motion may be permitted without notice to have the matter considered.

### **Motions of course**

**30.** (1) The following are regarded as motions of course:

- (a) that precedence be given to the consideration of any particular matter appearing on the agenda;
  - (b) that any report referred to in the agenda be noted, adopted, acted upon or referred back;
  - (c) that any document before the Council be acted upon in the manner specified in the motion;
  - (d) that action be taken in regard to any matter submitted for consideration in the manner specified in the motion; and
  - (e) that the Speaker must direct that a councillor or a member of the public withdraw from the meeting, as well as
  - (f) any motion referred to in rule 31.
- (2) If a motion of course is seconded, it must be put to vote forthwith without debate.

### **Precedence of debate**

**31.** When a motion is under debate, no further motion may be received except that—

- (a) the motion be amended;
- (b) the consideration of the matter be postponed to a fixed or undetermined date;
- (c) members of the public be excluded;
- (d) members of the public be re-admitted;
- (e) the meeting be adjourned to another date;
- (f) the meeting be adjourned for a specified time;

- (g) the debate on the matter be adjourned for a specified time;
- (h) the matter be put to the vote;
- (i) the matter be removed from the agenda; or
- (j) the question or motion be withdrawn.

### **Amendment motions**

- 32.** (1) A councillor may move an amendment motion by stating “that the motion be amended”, and stating how the original motion should be amended.
- (2) The motion referred to in sub-rule (1) must be seconded and need not be in writing.
- (3) An amendment must be relevant to the original motion on which it is moved, and must be moved while the original motion is under consideration.
- (4) The amendment must be considered before considering the original motion.
- (5) If the Speaker so requires, a proposed amendment must be in writing, signed by the councillor who moved it and handed to the Speaker.
- (6) If there is more than one amendment to the original motion, the last proposed amendment must be put to the vote first and, if carried, the matter must be resolved accordingly.
- (7) If the last proposed amendment is rejected, the amendment proposed immediately before the last amendment must be put to the vote. When all amendments have been disposed of, the original motion or the original motion as amended, as the case may be, must be put to the vote.
- (8) No further amendment to the original motion may be moved after the Speaker has commenced to take the vote on that original motion.

(9) An amendment may not amend, in a material way, the principle embodied in the original motion, but may vary its terms in one or more particulars.

(10) The Speaker must decide whether or not an amendment complies with sub-rule (9) and must rule accordingly.

### **Motion for postponement of matter**

**33.** (1) A councillor may at the conclusion of a speech move "that the consideration of the matter be postponed to a fixed or undetermined date".

(2) The motion must be seconded and need not be in writing.

(3) The councillor who moved the motion may speak to the motion.

(4) The councillor who moved the original motion in respect of the matter under debate may reply, after which the motion referred to in sub-rule (1) must be put to the vote without further debate.

(5) If the motion referred to in sub-rule (1) is carried, the matter must be placed first on the agenda of matters to be considered at the meeting to which it has been postponed.

(6) If the motion referred to in sub-rule (1) is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion.

### **Motion for adjournment of meeting to another date**

**34.** (1) A councillor who has not yet participated in the debate on a matter may, at any time during the discussion of that matter, except during the course of a speech by another councillor or while a vote is being taken, move "that the meeting adjourn to another date".

(2) The motion must be seconded and need not be in writing.

(3) The councillor who moved the motion may speak to the motion.

(4) No debate on the motion may be permitted, except that the first councillor to indicate his or her opposition to the motion may speak in opposition thereof.

(5) No amendment to the motion may be moved, except in relation to the period of adjournment.

(6) If the motion is carried, the meeting must forthwith adjourn and be reconvened on the date specified in the motion or amended motion, unless the Speaker directs that the meeting proceed first to dispose of business other than opposed business.

(7) If the motion is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion until half-an-hour has elapsed.

(8) If the motion is carried during a debate and before the conclusion thereof, the councillor who moved the motion is entitled to speak first when the matter concerned is reopened for discussion at the adjourned meeting.

(9) No business may be transacted at an adjourned meeting other than the business that was on the agenda for the meeting of which it is an adjournment.

### **Motion for adjournment of meeting for specified time**

**35.** (1) A councillor may at any time, except during the course of a speech by another councillor or while a vote is being taken, move "that the meeting adjourn for a specified time", up to one hour.

(2) The motion must be seconded and need not be in writing.

(3) If the motion is carried, the meeting must forthwith adjourn for the specified time and reconvene on the time specified in the motion.

(4) If the motion is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion until half-an-hour has elapsed.

(5) The Speaker may at any time adjourn a meeting for a specified time, on good cause shown.

### **Motion of adjournment of debate on matter for specified time**

**36.** (1) A councillor who has not yet participated in the debate on a matter may, at the conclusion of any speech on that matter, move “that the debate on the matter be adjourned for a specified time”.

(2) The motion must be seconded and need not be in writing.

(3) The councillor who moved the motion may speak to the motion.

(4) No debate is permitted on the motion, except that the first councillor to indicate his or her opposition to the motion may speak in opposition thereto.

(5) No amendment to the motion may be moved, except in relation to the period of adjournment.

(6) If the motion is carried, the meeting proceeds to the next item on the agenda, and the adjourned debate is resumed at the time specified in the motion.

(7) On the resumption of the adjourned debate, the councillor who moved the adjournment is entitled to speak first.

(8) If the motion is not carried, the debate on the matter proceeds as though no interruption occurred, and the Speaker may not accept a similar motion until half-an-hour has elapsed.

(9) A councillor may not move or second more than one motion for the adjournment of the debate on the matter during the course of that debate.

(10) The Speaker may at any time adjourn a debate for the specified time, on good cause shown.

### **Motion that matter be put to vote**

**37.** (1) A councillor who has not yet participated in the debate on a matter may, at the conclusion of any speech on that matter, move “that the matter be put to the vote”.

(2) The motion must be seconded and need not be in writing.

(3) Subject to sub-rule (4), a motion referred to in sub-rule (1) is not open to debate.

(4) The councillor who moved the original motion under debate may, when a motion referred to in sub-rule (1) has been moved, speak on that original motion, whereupon the motion referred to in sub-rule (1) must be put to the vote without any further debate.

(5) If the motion referred to in sub-rule (1) is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion.

### **Motion to remove matter from agenda**

**38.** (1) A councillor who has not yet participated in the debate on a matter may, at the conclusion of any speech on that matter, move “that the matter be removed from the agenda”.

(2) The motion must be seconded and need not be in writing.

(3) Subject to sub-rule (4), a motion referred to in sub-rule (1) is not open to debate.

(4) The councillor who moved the original motion under debate may, when a motion referred to in sub-rule (1) has been moved, speak on that original motion, whereupon the motion referred to in sub-rule (1) must be put to the vote without any further debate.

(5) If the motion referred to in sub-rule (1) is carried, the matter must be removed from the agenda of the meeting, and may not be further pursued at that meeting.

(6) If the motion referred to in sub-rule (1) is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion.

### **Motion to refer matter to committee**

**39.** (1) A councillor may, at the conclusion of any speech on a matter, move “that the matter be referred to a committee”.

(2) The motion must be seconded and need not be in writing.

(3) Subject to sub-rule (4), a motion referred to in sub-rule (1) is not open to debate.

(4) The councillor who moved the original motion under debate may, when a motion referred to in sub-rule (1) has been moved, speak on that original motion, whereupon the motion referred to in sub-rule (1) must be put to the vote without any further debate.

(5) If the motion referred to in sub-rule (1) is carried, the matter under debate may not be further pursued at the meeting.

(6) If the motion referred to in sub-rule (1) is not carried, the meeting proceeds as though no interruption occurred, and the Speaker may not accept a similar motion.

### **Withdrawal of motions or questions**



**40.** (1) A councillor who has moved a motion may at any time withdraw it with the permission of the Council and the councillor who seconded it.

(2) A councillor may not speak on a motion after the Council has permitted the withdrawal of the motion.

(3) A councillor who has asked a question may withdraw it, without the permission of the Council, at any time before the question is answered.

#### **Absence of councillor who gave notice of motion or question**

**41.** If the councillor who gave notice of a motion or a question is not present when called upon by the Speaker, the motion may be moved or the question may be asked by any other councillor.

#### **Re-introduction of motions or questions**

**42.** (1) A motion which has been rejected by the Council, or a question which has been answered, may not again be moved or asked within a period of three (3) months of the meeting at which it was rejected or answered, except with the permission of the Council.

(2) A councillor who wishes to re-introduce a motion or question must give notice in writing to the Speaker.

(3) If the Speaker receives a notice referred to in sub-rule (2), he or she must place the notice on the agenda of the next meeting.

#### **Motions or questions on matters referred to committee**

**43.** (1) A councillor may not give notice of a motion or question with regard to any matter that is before a committee for consideration, unless notice of the motion or question —

(a) has also been submitted to that committee; or

(b) is part of the referral of the matter to that committee for consideration and report.

(2) A member of a committee may, if he or she is of the opinion that the matter is one of urgency, give notice of a motion or question on a matter referred to the committee, despite the fact that the motion or question has not been submitted to or considered by that committee.

### **Recommendation by Executive Mayor or executive committee**

**44.** (1) A recommendation contained in a report submitted by the Executive Mayor to the Council is considered to have been moved by the Executive Mayor.

(2) The motion does not need to be seconded.

(3) The Executive Mayor or any member of the executive mayoral committee may speak on the matter and reply but in replying, he or she must confine himself or herself to answer the matter and may not introduce any new matter into the debate.

## **CHAPTER 7**

### **LEGISLATIVE PROCESS**

#### **Introduction of draft by-laws**

**45.** In accordance with section 12 of the Systems Act, a draft by-law may be introduced only by a councillor or a committee.

#### **Introduction of draft by-laws by councillors**

**46.** (1) A councillor introduces a draft by-law by submitting it, together with a memorandum on its objects, to the Speaker.

(2) The Speaker must obtain the comments of the Municipal Manager on the contents of the draft by-law and may solicit the comments of any other person.

(3) The Speaker must submit a draft by-law, together with any comments received in terms of sub-rule (2), to the Executive Mayor, if the municipality has such a mayor or committee, for a report and recommendation in accordance with section 30(5) of the Structures Act.

(4) The Executive Mayor must within three (3) months of receipt of a draft by-law from the Speaker consider the draft by-law and decide to either support or not support it.

(5) If the Executive Mayor decides to support the draft by-law, the Municipal Manager must publish the draft by-law for public comment in accordance with rule 48.

(6) If the Executive Mayor decides not to support the draft by-law, the Executive Mayor must submit a report to the Council which sets out the following:

- (a) an executive summary of the draft by-law;
- (b) a memorandum on the objects of the draft by-law;
- (c) the contents of the draft by-law;
- (d) other by-laws that will have to be repealed or amended if the draft by-law is adopted;
- (e) any relevant comments or proposals;
- (f) the reasons why the draft by-law is not supported; and
- (g) a recommendation.

(7) After considering the report referred to in sub-rule (6), the Council must decide to either reject the draft by-law or to approve the commencement of the legislative process set out in rules 48 and 49 in respect of the draft by-law.

(8) When a draft by-law has been rejected by the Council, no by-law of the same substance may be introduced within a period of six (6) months from the date of rejection.

(9) When the commencement of the legislative process in respect of a draft by-law has been approved in terms of sub-rule (7), the draft by-law must be published for public comment in accordance with rule 48.

(10) If the municipality does not have an Executive Mayor, the councillor who introduced the draft by-law must submit a report setting out the matters referred to in sub-rule (6)(a) to (g) to the Council where after the procedures set out in sub-rules (7) to (9) apply.

### **Introduction of draft by-laws by Executive Mayor**

**47.** (1) An Executive Mayor introduces a draft by-law by submitting it, together with a memorandum on its objects, to the Speaker and the Municipal Manager.

(2) The Municipal Manager must publish the draft by-law for public comment in accordance with rule 48.

### **Publication of draft by-laws**

**48.** The Municipal Manager must as soon as possible after —

- (a) the Executive Mayor has decided to support the draft by-law under rule 46(5);
- (b) the Council has given approval in terms of rule 46(7) for the commencement of the legislative process; or

- (c) the Executive Mayor has introduced a draft by-law in terms of rule 47(1)

publish the draft by-law for public comment in accordance with section 12(1)(b) of the Systems Act for at least 30 days, unless the Council has approved a shorter period.

### **Consideration of draft by-laws**

**49.** (1) The Municipal Manager must, as soon as possible after the closing date for public comment referred to in rule 48, submit a report to the Council or, if the municipality has an Executive Mayor, to that mayor, together with —

- (a) a copy of the draft by-law;
- (b) copies of the advertisements inviting the public to make representations;
- (c) any comments received from the public; and
- (d) any other comments or recommendations from the Municipal Manager.

(2) The Executive Mayor, if the municipality has such a mayor, must consider the report by the Municipal Manager and must —

- (a) submit a report to the Council which sets out the following:
  - (i) an executive summary of the draft by-law,
  - (ii) a memorandum on the objects of the draft by-law,
  - (iii) the view of the Executive Mayor on the need for the draft by-law,
  - (iv) the contents of the draft by-law,

- (v) other by-laws that will have to be repealed or amended if the draft by-law is adopted, and
    - (vi) any relevant comments or proposals; and
  - (b) recommend to the Council to pass the by-law, to pass the by-law in an amended form or to reject the by-law.
- (3) When a draft by-law has been rejected by the Council, no by-law of the same substance may be introduced within a period of six (6) months from the date of rejection.
- (4) When a by-law has been passed, it must be published in accordance with section 13 of the Systems Act.

## **CHAPTER 8**

### **MISCELLANEOUS MATTERS**

#### **Official languages**

- 50.** Anyone who speaks at a meeting may use any of the three official languages recognised by the Constitution of the Western Cape, 1997, namely Afrikaans, English and isiXhosa.

#### **Municipal employees**

- 51.** (1) The employees of the municipality who attend a meeting must observe the rules and decorum applicable to councillors.
- (2) A municipal employee must attend a meeting if requested to do so by the Municipal Manager.

## **Offences and penalties**

**52.** (1) A councillor or a member of the public who—

- (a) refuses to withdraw from a place of meeting of the Council or a committee when directed to do so by the Speaker or chairperson of a meeting in terms of rule 19(3)(b); or
- (b) returns to a meeting from which he or she has withdrawn or was removed in terms of rule 19(3)(b)

may be forcibly removed and is guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding six (6) months or to both such fine and such imprisonment.

(2) No councillor or member of the public may—

- (a) improperly interfere with-
  - (i) or impede a council or committee when such council or committee is exercising its authority or performing its functions, or
  - (ii) the performance by a councillor of his or her functions as a councillor;
- (b) threaten or obstruct a councillor proceeding to or going from a meeting of a council or committee;

- (c) assault or threaten a councillor, or deprive a councillor of any benefit on account of the conduct of the councillor in a Council or committee meeting;
  - (d) while a council or committee is meeting, create or take part in any disturbance within the precincts;
  - (e) fail or refuse to comply with an instruction by the person presiding at a meeting of a council or committee regarding the presence of any person at that meeting; or
  - (f) fail or refuse to comply with an instruction by a duly authorised official of the Council regarding—
    - (i) the presence of persons at a particular meeting of the Council or a committee, or
    - (ii) the possession of any article, including a firearm, in the precincts or any part thereof.
- (3) A person may not by fraud, intimidation, force, insult or threat of any kind, or by the offer or promise of any inducement or benefit of any kind, or by any other improper means—
- (a) influence a councillor in the performance of the functions of said councillor;
  - (b) induce a councillor to be absent from a Council or committee meeting;

or



- (c) attempt to compel a councillor to declare himself or herself in favour of or against anything pending before or proposed or expected to be submitted to Council or a committee.
- (4) A person, including a councillor, who contravenes sub-rules (2) and (3) is guilty of an offence and on conviction is liable to a fine or to imprisonment for a period not exceeding three (3) years or to both the fine and the imprisonment.

**Short title**

- 53.** This by-law is called the Rules of Order for Internal Arrangements By-law, 2012.