

# ANNUAL REPORT

## 2018/19

### VOLUME I



**MUNISIPALITEIT - BERGRIVIER - MUNICIPALITY**

**ONS DIEN MET TROTS / WE SERVE WITH PRIDE**

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## FOREWORD BY THE EXECUTIVE MAYOR



### **Our Vision**

Bergrivier: a prosperous community where all want to live, work, learn and play in a dignified manner.

### **Mission:**

Commitment to sustainable development and the delivery of services that are responsible to the developmental needs of all communities in Bergrivier Municipality.

Dearest community,

It is an honor to represent the Council of Bergrivier Municipality and an absolute pleasure to present the Annual Report for the 2018/2019 financial year.

Bergrivier Municipality has made a commitment to its community and via political and administrative leadership we were successful in providing quality services as documented throughout this Annual Report.

Although we are extremely proud of our achievements, we face ongoing challenges. Collectively we will continue focusing our strengths on the following relevant aspects:

- Promotion of a safe, healthy, educated and integrated community;
- Sustainable service delivery;
- Economic development;
- Continuity of good governance;
- Building strong relationships between the municipality, business, the community and commercial agriculture;
- Integration via the Regional Socio-Economic and Violence Prevention through Urban Upgrading programme (RSEP/VPUU)-, education and human settlements;
- Continue to employ qualified staff to validate the vision of the municipality;
- Communication and public participation;
- Ensuring service delivery is the focal point at all times; and
- Last but not least, we will ensure that Bergrivier Municipality is a municipality for the people, of the people and by the people.

This Annual Report provides an overview of the strategic objectives we addressed as set out by the Integrated Development Plan (IDP), focusing on service delivery while concurrently complying with legislative requirements and governance challenges.

On behalf of the Council of Bergrivier Municipality, I would like to take this opportunity to convey our sincerest appreciation to the community of Bergrivier Municipal Area for their inputs and continuous support.

A heartfelt thank you to the Municipal Manager, the Directors and the full municipal staff complement for their loyal dedication in diligently performing all their duties.

*“Few will have the greatness to bend history itself, but each of us can work to change a small portion of events. It is from numberless diverse acts of courage and belief that human history is shaped. Each time a man/woman stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he/she sends forth a tiny ripple of hope, and crossing each other from a million different centres of energy and daring those ripples build a current which can sweep down the mightiest walls of oppression and resistance.”*

— **Robert F. Kennedy**

For this I acknowledge, appreciate and applaud my fellow councillors.

Bergrivier Municipality supports the Sustainable Development Goals (SDG's) as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

All honour and glory to God.

Thank you,

Alderman Ray van Rooy

**EXECUTIVE MAYOR**

## HIGHLIGHTS OF THE 2018-2019 FINANCIAL YEAR



Opening of the Noordhoek Toy Library in December 2018



Third Clean Audit for Bergervier Municipality!



The unveiling of the Outdoor Gymnasium in Piketberg took place in November 2018.



Youth Outreach held in August 2019



The Youth Exchange Programme in May 2019. Handover of title deeds in Laaplek in August 2019



A total of 16 title deeds were handed over in November 2018 in Piketberg, to housing beneficiaries of the Enhanced Extended Discount Benefit Scheme.



## FOREWORD BY THE MUNICIPAL MANAGER

I am proud to be associated with Bergrivier Municipality. It is an institution where we truly live our vision of creating a “Prosperous Community where all want to live, work, learn and play in a dignified manner”. We strive to satisfy our community by delivering excellent services, which we do sustainably. The appreciation and thankfulness that we receive from our communities are evidence of this. Our latest customer survey rated the Municipality at 75 % satisfied customers. Bergrivier Municipality is a Category B Municipality in terms of Section 155 of the Constitution of South Africa (1996) and performs all the executive, legislative and administrative powers and functions assigned to it in terms of Section 156 of the Constitution read with Chapter 3 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Systems Act). At Bergrivier Municipality we strongly uphold the definition of a Municipality as contained in the Systems Act, which states that a municipality consists of three equal partners namely the Council, the Administration and the Public. It is where these three partners work seamlessly together, that we see the magic happen!

Obviously we are not perfect and there is still much that we can and must do better, but we are satisfied that we truly function as three circles working together in close partnership to benefit all the people living and working within our Municipal area. For these reasons, we take great care and effort to work well with sector



departments in our area to obtain maximum successes.

Our international relations with the Belgium Federal Government and Heist-op-den-Berg Municipality in particular assisted Bergrivier Municipality in knowledge sharing, skills transfers and the procurement of much needed funding. Bergrivier Municipality is privileged to be selected as one of only three Municipalities in South Africa to receive funding from the Belgium Federal Government from 2017 - 2022 to implement a

project with the theme: “Turning waste into prosperity”. During the previous financial year (2017/2018) we recruited 21 waste ambassadors from local entrepreneurs and employed them in three areas throughout Bergrivier Municipal Area namely Noordhoek in Velddrif, Ward 4 in Piketberg and Monte Bertha in Porterville. The ambassadors were trained in waste management, composting and awareness raising on recycling and other waste management issues.

While attending to our own areas of service delivery within Bergrivier Municipal area, we are also in conversation with the Moravian Church of South Africa about sustainable service delivery models in the two Moravian Towns within Bergrivier Municipal Area. The Municipality and the District Municipality are currently assisting the Church with service delivery where and when needed, but we are seeking a sustainable future solution jointly and in partnership to ensure a better future for all people living in the Moravian towns. We are assisted in this by SALGA (South African Local Government Association) and relevant national and provincial departments

The revenue trend for the Municipality for the past three years consists mainly of income derived from services, rates and government grants. The revenue from own sources, rates and services represents 78 % of the total operational income. During the past financial year the Council took up external loans to the value of R 6, 95 million for the construction of capital infrastructure to enhance the delivery of services. Government grants received represent 22 % of revenue towards operational income. The loans and capital grants were spent on infrastructure improvement to ensure that all residents have access to the full complement of Council’s services. During the 18/19 financial year we spent R 41,7 million on capital projects of which 52,03 % was from Government Grants, 15,41 % from borrowings and 32,56 % from own funds. During this financial year we realized a debtor’s collection rate of 94.19 % (up from 91 % in the previous financial year) which is below the National Treasury current norm of 95 % in Local Government. The Municipality has prepared a revenue Management Action Plan to improve the collection rate and we will make a concerted effort in the next financial year to achieve a minimum target of 96 %. In terms of our liquidity, we have a current ratio of 1: 4.11:1.

As a Municipality we do risk assessments annually and have dedicated risk management meetings quarterly to develop and implement mitigating measures. Our top 5 strategic risks with the highest residual ratings include the limited water availability and supply, lack of effective credit control resulting in high outstanding debtors, lack of financial sustainability, the threat of a national black-out due to capacity and other challenges in ESCOM and the risk of illegal occupation of Municipal land.

Looking back we are thankful for a very successful year with many highlights (see photo page for visual illustration of some highlights), but we are also constantly aware of the sustainability challenges facing Local Government in South Africa, including the financial sustainability of Local Government. Together we can face any challenge that comes our way if we continue to work in partnership. I believe that there are no challenges that we cannot successfully tackle together. We truly strive to serve with pride!

ADV H LINDE

MUNICIPAL MANAGER

## CHAPTER 1: MUNICIPAL OVERVIEW AND EXECUTIVE SUMMARY



A magnificent setting over canola fields taken from Monte Bertha, Porterville

Adv. Hanlie Linde

## 1.1 INTRODUCTION TO BERGRIVIER MUNICIPALITY

The Constitution of the Republic of South Africa (1996) states that the government comprises of national, provincial and local spheres (municipalities) of government which are distinctive, interdependent and interrelated (Section 40). Bergrivier Municipality is an organ of state within the local sphere of government, and is established in terms of Section 12 of the Municipal Structures Act, 1998, (Act 117 of 1998) (Municipal Structures Act) as a Local Municipality with an Executive Mayoral System combined with a Ward Participatory System.

Section 152 (1) of the Constitution sets out the objectives of local government namely:

- To provide democratic and accountable government to the community;
- To ensure the sustainable provision of services to the community;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage communities and community organisations to get involved in local government matters.

The Constitution also assigns a developmental duty to Municipalities which requires them to structure and manage their administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community whilst promoting social and economic development of the community, and ensure that any red tape with regard to land use planning is eliminated.

The functions of municipalities are set out in Schedules 4B and 5B of the Constitution, and municipalities must perform these functions in a manner that enables them to achieve the Constitutional objectives as indicated above. Section 84 of the Municipal Structures Act regulates the division of functions between district and local municipalities and the following table indicates the functions that Bergrivier Municipality is authorised to perform.

TABLE 1: MUNICIPAL FUNCTIONS

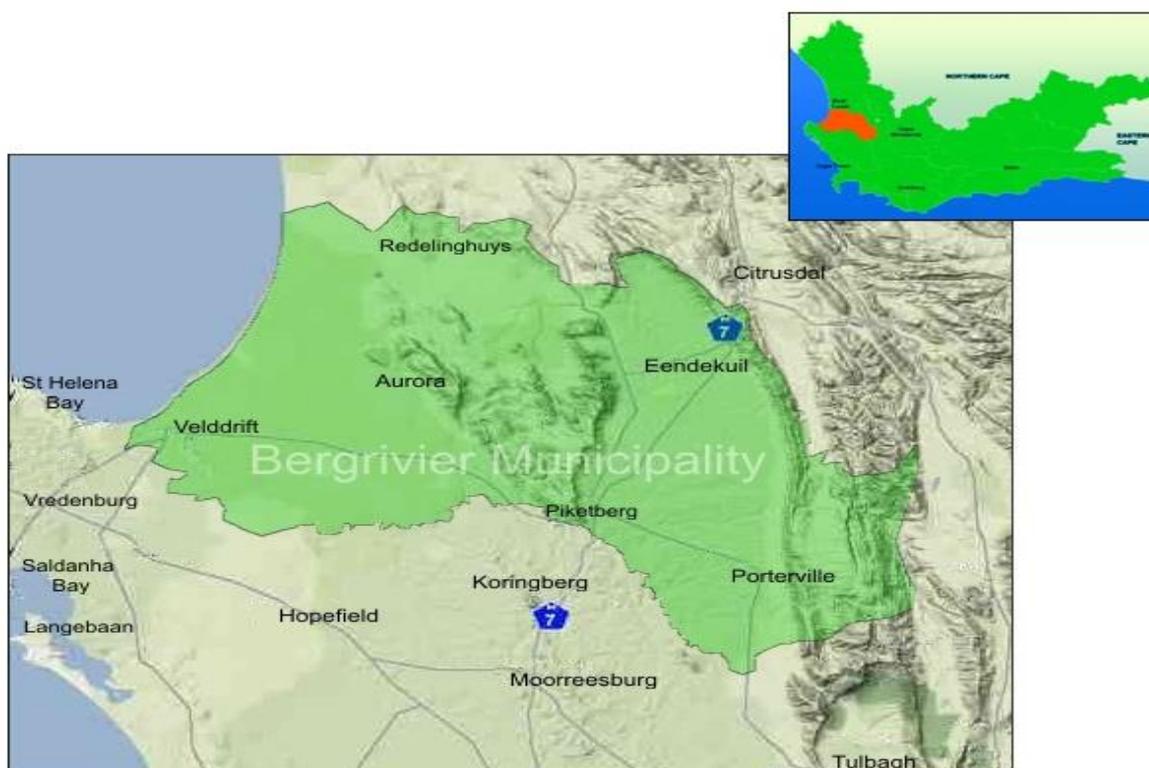
SCHEDULE 4, PART B FUNCTIONS	YES/NO	SCHEDULE 5, PART B FUNCTIONS	YES/NO
Air pollution	Yes	Beaches and amusement facilities	Yes
Building regulations	Yes	Billboards and the display of advertisements in public places	Yes
Child care facilities	Yes	Cemeteries, funeral parlours and crematoria	Yes
Electricity and gas reticulation	Yes	Cleansing	Yes
Firefighting services	Yes	Control of public nuisances	Yes
Local tourism	Yes	Control of undertakings that sell liquor to the public	Yes
Municipal airports	None in our area	Facilities for the accommodation, care and burial of animals	Yes

SCHEDULE 4, PART B FUNCTIONS	YES/NO	SCHEDULE 5, PART B FUNCTIONS	YES/NO
Municipal planning	Yes	Fencing and fences	Yes
Municipal health services	No (West Coast District)	Licensing of dogs	No (West Coast District Municipality)
Municipal public transport	Yes	Licensing and control of undertakings that sell food to the public	WCDM
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	Local amenities	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	Local sport facilities	Yes
Storm water management systems in built-up	Yes	Markets	Yes
Trading regulations	Yes	Municipal abattoirs	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	Municipal parks and recreation	Yes
		Municipal roads	Yes
		Noise pollution	Yes
		Pounds	Yes
		Public places	Yes
		Refuse removal, refuse dumps and solid waste disposal	Yes
		Street trading	Yes
		Street lighting	Yes
		Traffic and parking	Yes

## 1.2 GEOGRAPHIC OVERVIEW

Bergrivier Local Municipality is situated in the West Coast District of the Western Cape Province. The Municipality is bordered to the North by Cederberg Municipality, to the West by Saldanha Bay Municipality, to the South by Swartland Municipality and to the East by Drakenstein and Witzenberg Municipalities. The Municipality covers a geographic area of approximately 4 408 km<sup>2</sup> and is geographically diverse. It includes 9 urban settlements, approximately 40 kilometres of coastline and a vast rural area. The main urban settlements that constitute the Municipality are: Piketberg which is the administrative seat, Porterville, Velddrif (which includes Port Owen, Laaiplek and Noordhoek), Dwarskersbos, Eendekuil, Aurora, Redelinghuys, Goedverwacht and Wittewater. The latter two towns are Moravian settlements on private land. The following figure depicts the Bergrivier Municipal Area as well as the position of Bergrivier Municipality in relation to the Western Cape.

FIGURE 1: MAP OF BERGRIVIER MUNICIPALITY IN RELATION TO THE WESTERN CAPE



The following table provides an overview of the various settlements that constitute the Bergrivier Municipal Area:

TABLE 2: SETTLEMENT TYPES, CHARACTERISTICS AND ECONOMIC BASE

SETTLEMENT	CHARACTERISTICS AND ECONOMIC BASE
Velddrif (Including Laaipek, Port Owen and Noordhoek)	Velddrif is a coastal town which functions as a focal point for the fishing industry along the West Coast. The most important resources are the sea, the coastal environment, salt pans and the Bergrivier Estuary Tourism, retirees and second home residents provide a solid base for the local economy.
Dwarskersbos	Dwarskersbos is a coastal town characterised by its property market, holiday accommodation and tourism. The sea and coastal area are the most important natural resources. The main function of the town is to provide holiday accommodation. Tourism, retirees and second home residents provide a solid base for the local economy.
Piketberg (Including Piket Bo-Berg)	Piketberg is classified as a central place and is the administrative seat of the Bergrivier Municipality. It is also the service and commercial centre of the surrounding agricultural area. The primary economic base of Piketberg is agriculture. Public-sector activities related to the municipal head office, district offices, provincial government offices and other public functions also provide a solid base for the local economy.
Porterville (Including Dasklip Pass)	Porterville is classified as a central place and sound infrastructure has contributed towards the establishment of a Regional Kaap Agri Office. The economic base of Porterville is primarily agriculture, which is supplemented by some recreational and tourism activities.

SETTLEMENT	CHARACTERISTICS AND ECONOMIC BASE
Redelinghuys	Redelinghuys is classified as an isolated village. The town mainly functions as a residential area for the surrounding agricultural sector and retired people. There is some recreational and tourism potential in the Verlorenvlei which is a Ramsar Site which falls partially within Bergrivier's area of jurisdiction. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Aurora	Aurora is also classified as an isolated village. The town has a rural character against a picturesque topographical setting. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Eendekuil	Eendekuil is also classified as an isolated village. It functions as a low-order agricultural service centre that is dependent on Piketberg for higher-order services. Mainly a residential town for farm workers and retired people. This town has no autonomous economic base other than the accommodation of farm workers involved in the nearby farms and basic service provision associated with this use.
Goedverwacht and Wittewater	Goedverwacht and Wittewater are also classified as isolated villages. These towns are located on private land, within a predominantly agricultural area. They are Mission Stations run by the Moravian Church of South Africa, and have little direct investment to stimulate economic activities. Inhabitants work mainly on the surrounding farms, but the villages do boast some very good builders. The scenic mountains and the missionary culture offer some tourism potential, but this can only be realized within the context of the larger tourism plan for the region.

The ward demarcation of Bergrivier Municipality was changed for the 2016 municipal election in accordance with the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) (Demarcation Act) and was demarcated into 7 (seven) wards. Although the Municipality had 7 wards prior to this, the new demarcation brought about significant changes in ward boundaries which impact on municipal planning, information management and community participation practices. The following is a table outlining the new ward demarcation in comparison to the former demarcation:

TABLE 3: COMPARISON OF WARD DEMARICATIONS

WARD	2016 ELECTION DEMARICATION	FORMER DEMARICATION
1	Comprises Porterville Town, Voorberg and the rural area to the south east of Porterville	Porterville Town and the rural area to the North of Porterville
2	Comprises the remainder of Porterville (Monte Bertha) and the rural area to the west of Porterville	The remainder of Porterville (Monte Bertha), the rural area to the South of Porterville and the Voorberg prison
3	Comprises the Western and Southern portion of Piketberg Town, De Hoek, Wittewater and Goedverwacht	Western and Southern portion of Piketberg Town, Eendekuil and an extensive rural area
4	Predominantly urban and comprises the North Eastern portion of Piketberg Town	Predominantly urban and comprises the North Eastern portion of Piketberg Town
5	Comprises the Western and Southern portion of Eendekuil, Redelinghuys and Genadenberg which belong to the Moravian Church of South Africa	Predominantly rural with a smattering of private settlements including Wittewater, Goedverwacht and Genadenberg which belong to the Moravian Church of South Africa and De Hoek, a private residential area

WARD	2016 ELECTION DEMARICATION	FORMER DEMARICATION
		situated on the premises of the Pretoria Portland Cement factory (PPC) a few kilometres to the south of Piketberg
6	Predominantly coastal and rural and comprises the towns of Aurora, Noordhoek and Dwarskersbos and the rural areas between these settlements	Predominantly rural and comprises the towns of Aurora, Redelinghuys and Dwarskersbos and the rural areas between these settlements
7	Predominantly urban coastal settlement and comprises Velddrif which includes Port Owen and Laaiplek	Predominantly urban coastal settlement and comprises Velddrif which includes Noordhoek, Port Owen and Laaiplek

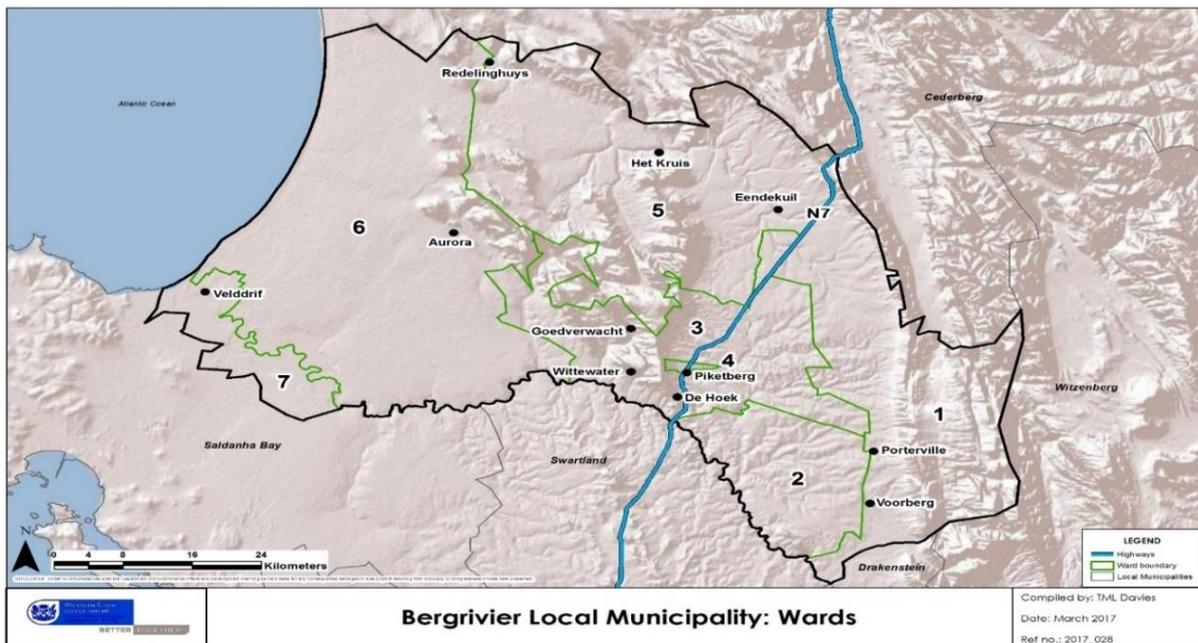


FIGURE 2: WARD DEMARICATION

### 1.3 DEMOGRAPHIC OVERVIEW

#### 1.3.1 POPULATION

##### **West Coast District Population**

The West Coast District Population is outlined in the table below. Bergvriër Municipality has the second smallest population in the West Coast District.

TABLE 4: WEST COAST POPULATION

	MALE				FEMALE				TOTAL
	BLACK AFRICAN	COLOURED	INDIAN/ ASIAN	WHITE	BLACK AFRICAN	COLOURED	INDIAN/ ASIAN	WHITE	TOTAL
<b>DC1:West Coast</b>	38 508	145 239	770	32 642	32 606	152 188	306	34 144	436 403
WC011: Matzikama	2 615	28 804	-	4 371	1 599	29 303	22	4 333	71 047
WC012: Cederberg	3 396	19 924	-	3 456	2 864	20 187	-	3 122	52 949
WC013: Bergrivier	1398	24 871	80	6 219	1 388	26 711	-	6 807	67 474
WC014: Saldanha Bay	19 462	29 351	164	6 608	17 427	31 207	14	6 940	111 173
WC015: Swartland	11 638	42 290	526	11 989	9 327	44 780	269	12 943	133 762

Community Survey 2016

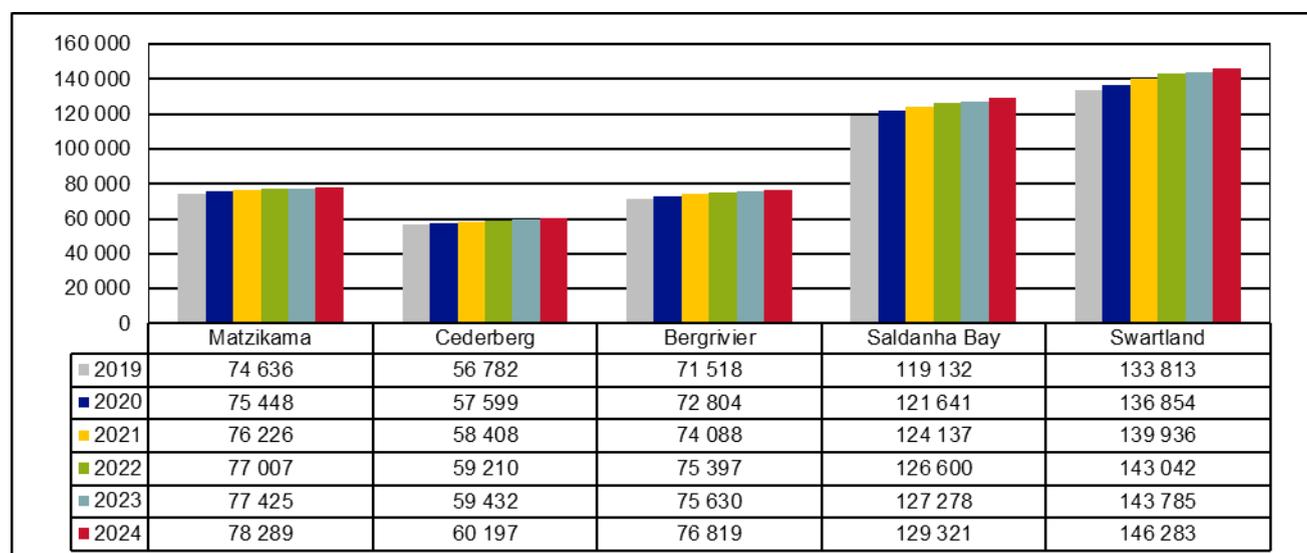


FIGURE 3: FUTURE POPULATION GROWTH, WEST COAST DISTRICT, 2019 - 2024

Western Cape SEP, 2019

The Socio-Economic Profile of 2019 states that 71 518 people reside in Bergrivier Municipal Area rendering it the second least populated municipal area in the West Coast District. The total population is estimated to increase to 75 630 by 2023 which equates to 1.4 % average annual growth. The following table indicates the population dispersion per ward.

TABLE 5: ESTIMATED POPULATION PER MUNICIPAL WARD

WARD	DESCRIPTION	ESTIMATED POPULATION
Ward 1	Comprises the northern part of Porterville and the rural area to the north of Porterville; Voorberg prison	11 475
Ward 2	Comprises the southern part of Porterville, Monte Bertha the rural area to the south of Porterville	5 677
Ward 3	Comprises the western and southern portion of Piketberg Town, De Hoek, Wittewater, Goedverwacht.	9 509
Ward 4	Predominantly urban and comprises the North Eastern portion of Piketberg Town	10 273
Ward 5	Predominantly rural Eendekuil, Redelinguys with a smattering of private settlements including Genadenberg which belong to the Moravian Church of South Africa	14 165
Ward 6	Predominantly rural and comprises the towns of Aurora, Noordhoek ; Dwarskersbos and the rural areas between these settlements	3 972
Ward 7	Predominantly urban coastal settlement and comprises Velddrif which includes Port Owen and Laaiplek	12 344
<b>Total Bergrivier Population</b>		<b>67 474</b>

The following table indicates the population dispersion per town/area:

TABLE 6: POPULATION PER TOWN / AREA

TOWN / AREA	2011	2016
Redelinguys	581	574
Bergrivier Rural Area	21 758	24 497
Eendekuil	841	1 530
Dwarskersbos	341	670
Aurora	342	578
Velddrif	7 327	11 017
Goedverwacht	No data	1 979
Beaverlac	59	64
Piketberg	9 271	12 075
De Hoek	330	360
Wittewater	849	848
Porterville	5 864	7 057

*Statistics South Africa: Census 2011 and Community Survey 2016 and Source: DEADP/Stats SA*

- **Population statistics per gender**

There are significantly less males than females in Bergrivier Municipal Area. The lower number of males can be attributed to a wide range of factors, including factors where the variance in life expectancy can be attributed to a range of social and behavioural dynamics (Western Cape SEP, 2019).

TABLE 7: GENDER DYNAMICS, WEST COAST DISTRICT, 2019 - 2024

MUNICIPALITY	YEAR	MALE		FEMALE	
		NUMBER	%	NUMBER	%
Matzikama	2019	37 431	50.2	37 205	49.8
	2024	39 511	50.5	38 778	49.5
Cederberg	2019	28 577	50.3	28 206	49.7
	2024	30 401	50.5	29 795	49.5
Bergrivier	2019	34 435	48.1	37 083	51.9
	2024	36 745	47.8	40 074	52.2
Saldanha Bay	2019	59 070	49.6	60 062	50.4
	2024	64 192	49.6	65 129	50.4
Swartland	2019	66 402	49.6	67 411	50.4
	2024	72 643	49.7	73 640	50.3
West Coast	2019	225 914	49.6	229 966	50.4
	2024	243 492	49.6	247 416	50.4

Western Cape DSD, 2019

- **Population statistics per age**

The table below outlines Bergrivier Municipal Area's composition per age cohorts. The table also indicate a dependency ratio which in turn indicates which part of the workforce are 15 – 64 years of age and those who are dependent on them (children and seniors). The notable increase in age cohort is expected to increase the dependency ratio towards 2025.

TABLE 8: AGE COHORTS, 2019 – 2025

YEAR	CHILDREN 0 – 14 YEARS	WORKING AGE 16 – 65 YEARS	AGED 65+	DEPENDENCY RATIO
2019	19 742	47 929	3 848	49,2
2022	20 630	50 557	4 210	49,1
2025	21 391	52 195	4 434	49,5
Growth	1,3%	1,4%	2,4%	-

Western Cape SEP, 2019

### 1.3.2 HOUSEHOLDS

The figure below provides an overview of future household growth for the period 2019 – 2024. These households include both the urban and rural areas in the West Coast District.

There are currently a total of 9 523 urban households in the Bergrivier Municipal Area (2018/19) of which 1 992 are registered as indigent households. These households constitute 20.9 % of the total number of urban households. Indigent households are defined as households where the combined monthly income of the household is less than the equivalent of two state pensions plus 40 %. The criteria as prescribed by National Treasury is significantly lower and this emphasizes the unashamedly pro-poor approach of Council.

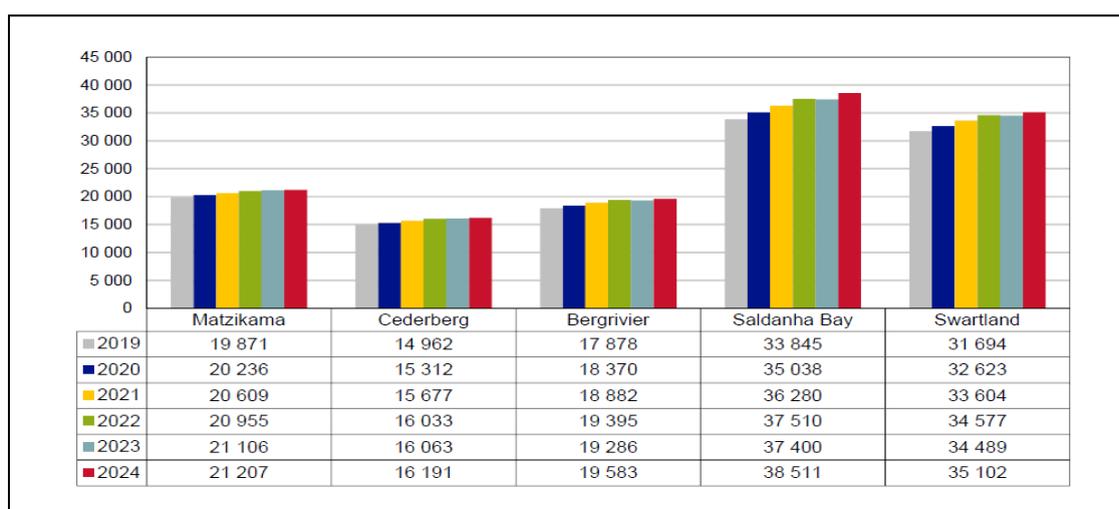


FIGURE 4: FUTURE HOUSEHOLD GROWTH: 2019 - 2029

*Western Cape, DSD, 2019*

Bergrivier Municipality experiences rising dependency ratios as seen below. Higher dependency ratios imply that economic dependents (children and elderly) can have implications for social, economic and labour market and therefore greater pressure on social systems and the delivery of basic services.

TABLE 9: DEPENDENCY RATIO

YEAR	CHILDREN 0-14 YEARS	WORKING AGE 15 – 65 YEARS	AGED 65+	DEPENDENCY RATIO
2011	15 428	42 140	4 328	46.9
2019	17 681	45 273	7 618	56.3
2024	19 770	49 615	9 667	59.1

*Socio-Economic Profile 2018*

### 1.4 SOCIO ECONOMIC OVERVIEW

The United Nations uses the Human Development Index (HDI) to assess the relative level of socio-economic development in countries. Economists expect economic growth to result in improvements in human

development and economic decline to have an adverse effect on human development. There has been a general increase in HDI of the Bergrivier Municipality as it has increased from 0.66 in 2012 to 0.70 in 2018.

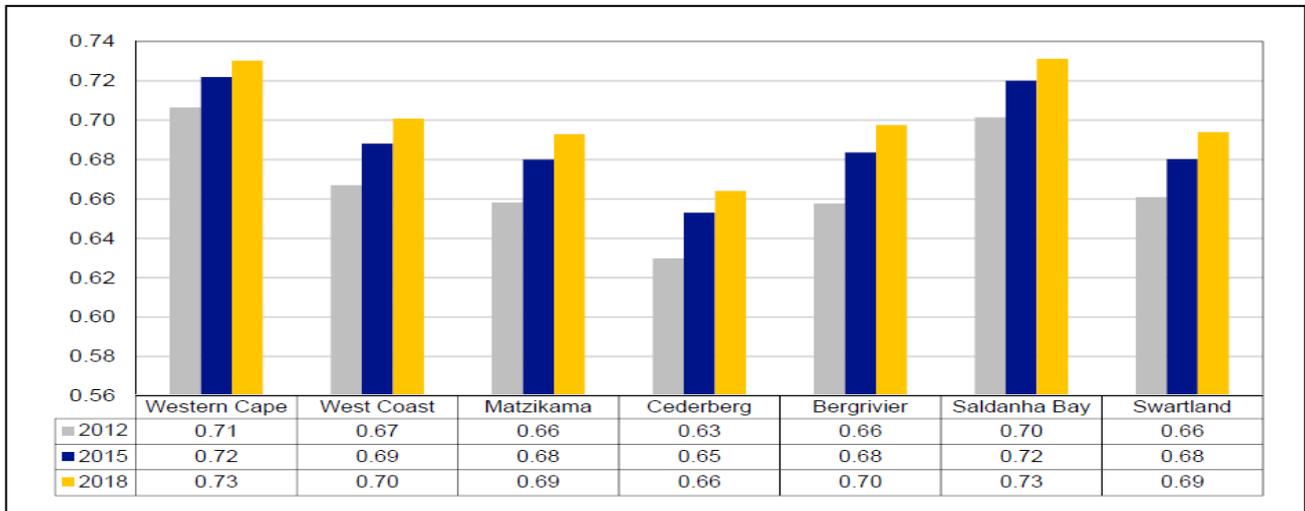


FIGURE 5: HUMAN DEVELOPMENT INDEX FOR THE WEST COAST, 2012 – 2018

MERO 2019

#### 1.4.1 EDUCATION

Education is the functional mandate of the Provincial Department of Education, but the impact of shortcomings within the education system and the lack of skills impact on the Municipality. The Municipality therefore has a vested interest in working co-operatively with the Department of Education and related departments whose functional mandates fall within the realm of social development.

Skills are an essential contributor to the development of individuals, businesses, societies and economies. Their importance is even more pronounced in the South African context where high levels of structural unemployment among the youth is still more prevalent than in other emerging economies. According to the National Planning Commission (2012: 98), South Africa is experiencing a youth bulge, and this represents an opportunity for positive growth if young people are meaningfully employed, but poses a potential for grave social instability if they are not. While low skill levels and lack of experience are widely known as the primary causes of unemployment amongst youth, it is also becoming increasingly apparent that a large number of young graduates are unable to find employment due to an education system that is supplying industry with skills that are either inadequate or irrelevant. Globally, apprenticeship based learning remains the most effective learning methodology that produces high quality workers that have the skills that employers actually need. One of the biggest challenges facing the Western Cape and the rest of the country is the millions of young South Africans who want to work, but cannot find a job. The Labour Force Surveys released by Stats SA on a quarterly basis reveal that the unemployment rate among youth (aged 15-34 years) is consistently higher than the adult unemployment rate in all provinces.

It is estimated that approximately half a million jobs remain vacant because of a lack of the appropriate skills.

These shortages are felt particularly in the fields of maths and science, with a lack of skills in fields such as engineering and Information and Communication Technology (ICT), as well as a growing shortage of vocational and technical skills (artisans) such as electricians, welders and mechanics, which is seriously hampering economic growth. The national scarce skills list released by national government reveals that 18 of the top 31 scarce skills in the country fall within the artisan sector. The shortage is set to worsen with the National Development Plan envisaging that the country will need to produce 30 000 qualified artisans a year by 2030, while the current annual production rate is only 13 000 – and just under 1 000 in 2015 in the Western Cape. There are a number of reasons for these shortages, which include:

- Poor maths and science pass rates at schools;
- Lack of awareness of scarce skills and related employment opportunities;
- Learners preferring to enrol at universities, which they view as superior to technical colleges;
- Negative societal perceptions of the status of artisans; and
- A shortage of funding and workplace based learning opportunities.

Education and skills will improve access to available employment opportunities. The low education and skills levels of the Bergrivier Community are contributing to unemployment and poverty and are cause for concern. Furthermore there appears to be a mismatch between the available job opportunities and the skills base within the Community.

Education and training opportunities are limited by the absence of any tertiary (or technical) education facilities in the Municipal Area. Bergrivier is the only Municipality in the West Coast District without a FET College. This is evidenced by the fact that only 6 % of school leavers have some form of tertiary education and a concerted effort by both National and Provincial Government to assist in this regard will have to be made. The following educational indicators for Bergrivier Municipal Area provide a dashboard overview of the status quo of education in the area:

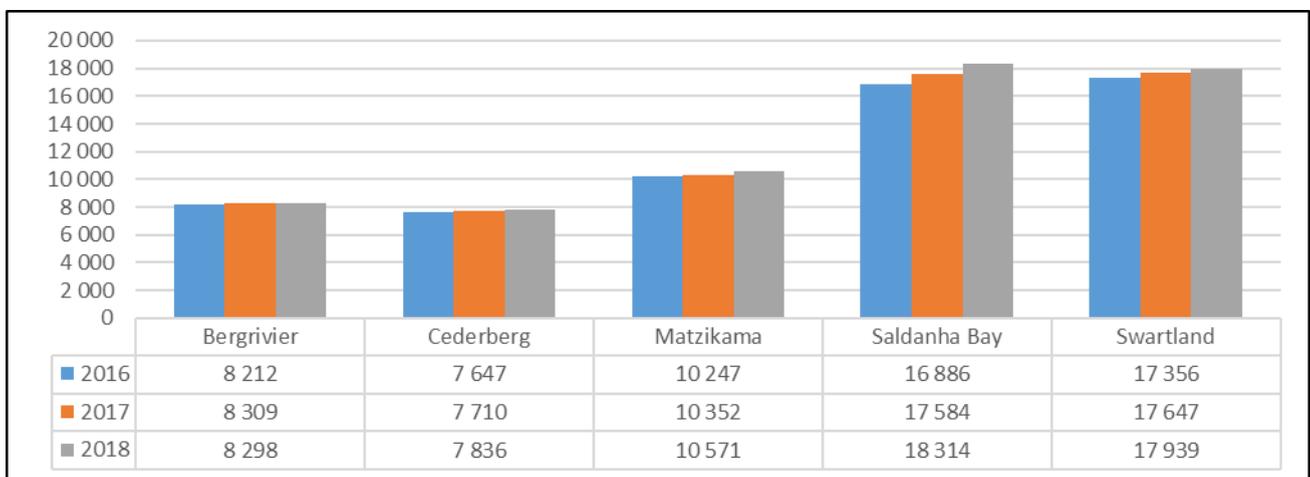


FIGURE 6: BERGRIVIER MUNICIPALITY LEARNER ENROLMENT 2016 - 2018

Western Cape SEP 2019

It is important to emphasize that the drop-out rate has decreased from 40 % in 2012 to 21.6 % in 2017, but increased again to 31.5 % in 2018. Bergrivier Municipal Area has the second lowest percentage of no-fee schools in the district as research indicates that learners often drop-out of school due to lack of money and social concerns such as teenage pregnancies. Being able to retain learners is essential for positive education outcomes

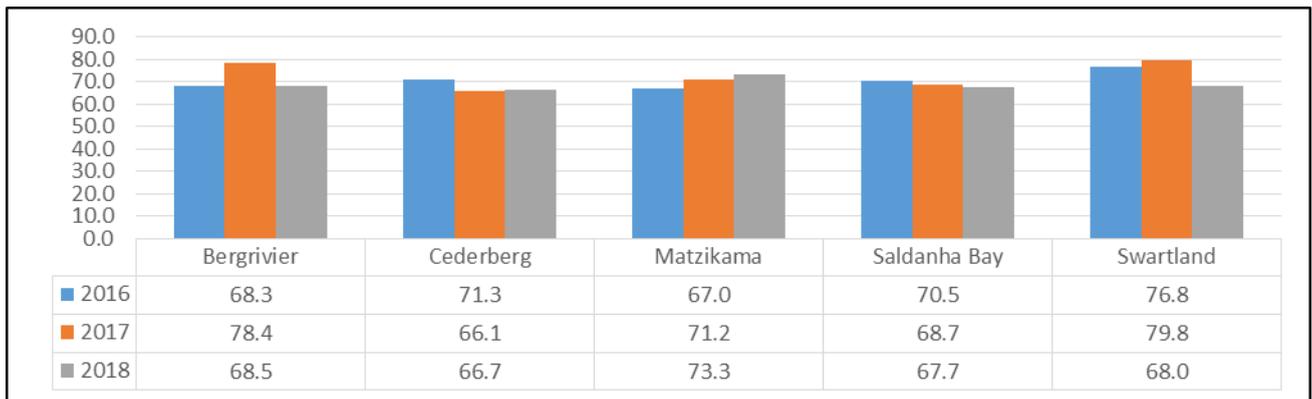


FIGURE 7: LEARNER RETENTION

Western Cape SEP 2019

The learner-teacher ratio is also an important indicator and has deteriorated in Bergrivier Municipal Area in the period 2012 – 2013, improved in 2014, deteriorated again to 33.4 % in 2015 and improved in 2016. In 2016 the learner-teacher ratio increased from 25.6 learners to 27.2 learners in 2017, but slightly dropped to 26.4 learners in 2018. Factors influencing the learner-teacher ratio include the ability of schools to employ more educators and the ability to collect fees. The following figure outlines the educational facilities in Bergrivier Municipal Area:

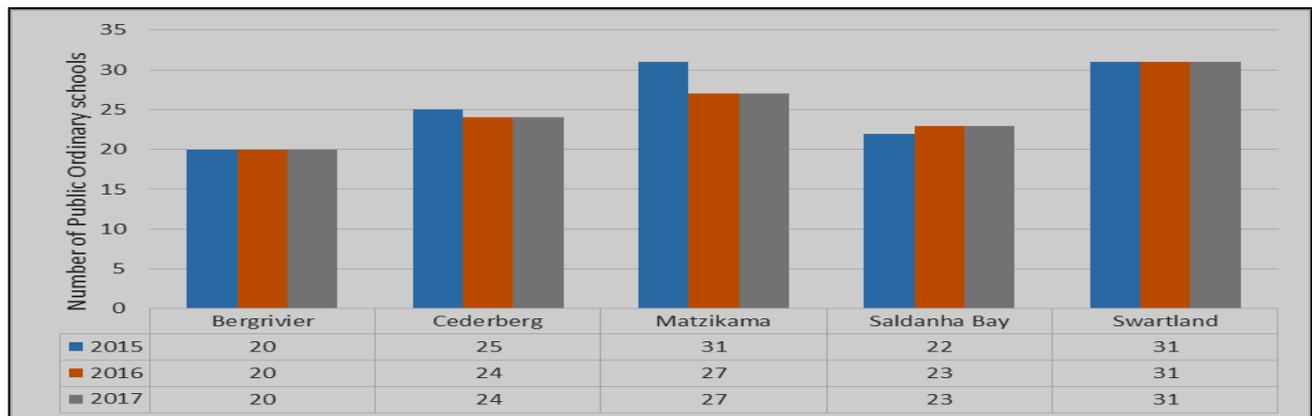


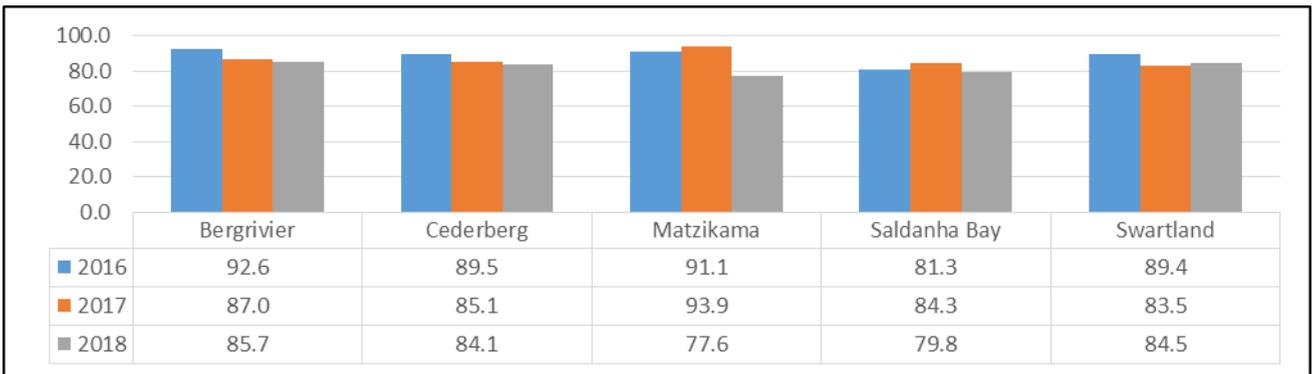
FIGURE 8: EDUCATIONAL FACILITIES

Western Cape SEP 2019

Bergrivier had 20 public schools which had to accommodate 8 298 learners in 2018. To alleviate funding challenges, some of the fee-paying schools became no-fee schools and represented 65 % of schools in the

area in 2016. Currently 12 of the public schools in the Bergrivier Municipal Area are equipped with a library falling slightly from 13 in 2016.

FIGURE 9: PUBLIC SCHOOLS & NO FEE SCHOOLS



Western Cape SEP 2019

The following figure outlines the educational outcomes in the period 2016 – 2018 per municipal area in the West Coast District. Bergrivier matric pass rate dropped from 92.6 % in 2016 to 87 % in 2017, declining even further to 85.7 % in 2018. The average for the district in 2018 was 82 %.

FIGURE 10: EDUCATIONAL OUTCOMES IN WEST COAST DISTRICT: 2016 – 2018

Western Cape SEP 2019

The problem in education and readiness for the employment market is exacerbated by a low literacy rate, which is an indicator of the levels of education and skill in the economy. The literacy rate is calculated as the proportion of persons 14 years and older who have successfully completed a minimum of 7 years of formal education. According to the Western Cape Government: Provincial Treasury: Municipal Economic Review and Outlook (MERO) 2015, the Municipality’s literacy level was 76.4 % in 2011 which is significantly lower than the Provincial and District norms of 87.2 % and 79.1 % respectively. A positive is that it has increased by 6 % since 2001. No information on the current literacy level is available as to compare an improvement or deterioration in literacy levels since 2011. No further information on literacy levels are available. Skills development is, in the light of the above problematic, a serious challenge given that the work force, with specific reference to the youth, is not prepared for the potential employment market. The overall picture of skills development in Bergrivier is discouraging as 55.3 % of the population is considered “low-skilled”. Over the period 2014 – 2018, the growth in low skilled employment was at a faster rate than that of skilled and semi-skilled employment.

The following table provides an overview of the skills levels in Bergrivier Municipal Area in 2018.

TABLE 10: SKILLS LEVELS IN BERGRIVIER MUNICIPALITY

FORMAL EMPLOYMENT BY SKILL	SKILL LEVEL CONTRIBUTION (%)		AVERAGE GROWTH (%)		NUMBER OF JOBS	
	2017		2014 - 2018E		2017	2018E
Skilled	14,0		3,5		3 095	3 182
Semi-skilled	30,7		2,5		6 785	6 875
Low skilled	55,3		4,4		12 233	12 334
<b>Total Bergrivier</b>	<b>100.0</b>		<b>3,7</b>		<b>22 113</b>	<b>22 391</b>

MERO 2019

The following figures give an overview of the employment growth by skills levels and the skills levels per sector.

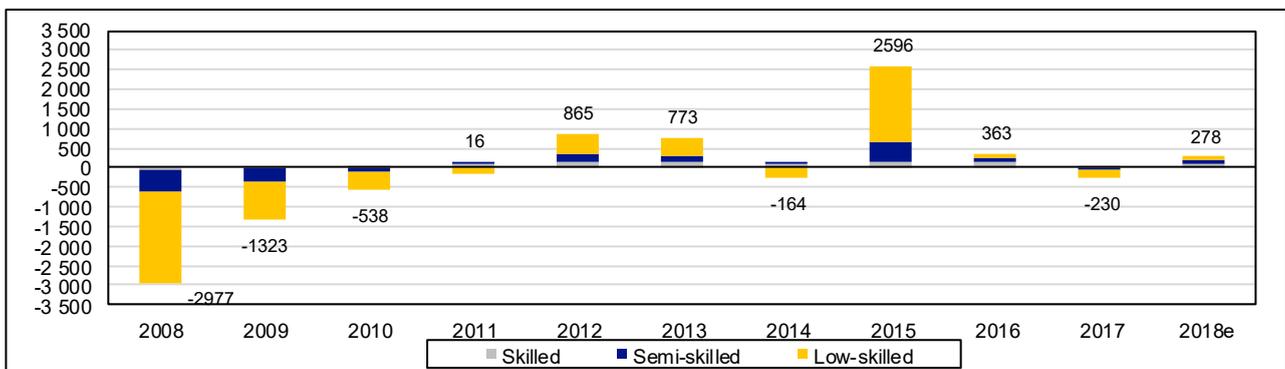


FIGURE 11: BERGRIVIER EMPLOYMENT GROWTH BY SKILLS LEVEL, 2008 - 2018

Quantec Research, 2019 (e denotes estimate)

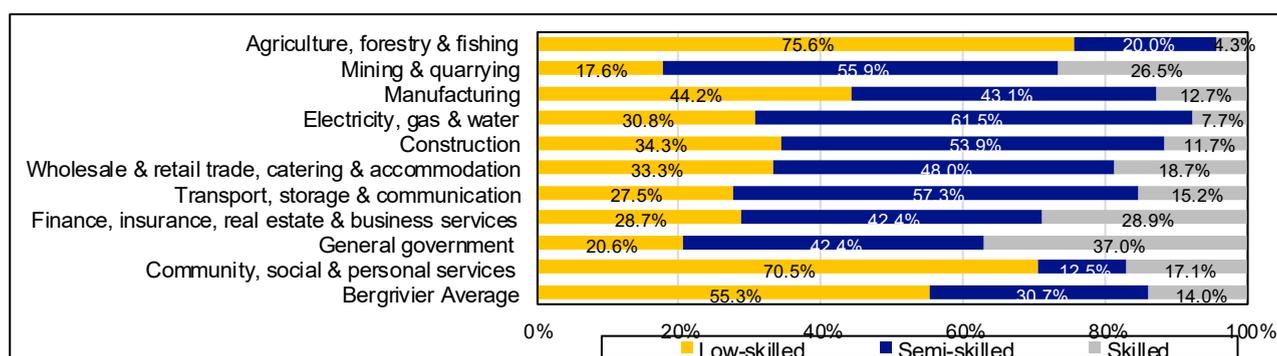


FIGURE 12: BERGRIVIER SKILLS LEVEL PER SECTOR, 2018

Quantec Research, 2019 (e denotes estimate)

The majority of Bergrivier formally employed individuals are low-skilled (55.3 %), compared to 30.7 % semi-skilled and 14 % percent skilled. Skilled formal employees have been growing between 2005 and 2015; while semi- and low-skilled formal employees have declined across the same period. These continual declines in low-skilled and semi-skilled workers are in line with the overall 10-year decline in employment in the agriculture, forestry and fishing sector as well as the manufacturing sector. 38 % of the youth in Bergrivier Municipality live in households that are classified as poor. Of these youth in poor households, 43 % are coloured, 7 % white and 26 % Black African. Multidimensional poverty comprises of various components selected specifically to reflect the unique experiences of the current South African youth cohort.

#### 1.4.2 HEALTH CARE

Good health is vital in achieving and maintaining a high quality of life. The information provided by the Department of Health pertains only to public sector health institutions and it should be acknowledged that health include factors such as control of diseases, clean water, sanitation and removal of solid waste which falls within the mandate of municipalities.

Bergrivier Municipality has a high percentage of households with no access to private healthcare institutions and are dependent on the availability and access to public health care facilities. Health care in South Africa is geared in such a way that people have to move from primary, with a referral system, to secondary and tertiary levels. Bergrivier Municipal Area has the following health care facilities:

TABLE 11: HEALTH CARE FACILITIES

AREA	PHC CLINICS		COMMUNITY HEALTH CENTRES	COMMUNITY DAY CENTRES	HOSPITALS		TREATMENT SITES	
	FIXED	NON-FIXED			DISTRICT	REGIONAL	ART CLINICS	TB CLINICS
Bergrivier Municipality	3	7	0	0	2	0	8	13

West Coast District	25	37	0	1	7	0	43	75
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*Western Cape SEP, 2019*

In terms of health care facilities, in 2018, Bergrivier had 3 (fixed) primary health care clinics, 7 mobile/satellite clinics, 2 district hospitals, 8 ART clinics/treatment sites and 13 TB clinics/treatment sites which serve the area. Access to emergency medical services is crucial for rural citizens due to distances from health facilities. Bergrivier Municipality has 1.4 ambulances per 10 000 population which is slightly below the district average of 1.6. Critical health issues in the Bergrivier Municipal Area are:

- Migration and the influx of seasonal workers which result in a higher burden of diarrhoea and an increase in TB and other infectious diseases. The number of TB patients in Bergrivier municipal area experience a decline in TB patients with 464 TB patients from 485 in 2017. The TB patients are treated in 13 TB clinics or treatment sites within the Bergrivier municipal area.
- Health care facilities have difficulty in treating diseases such as HIV/AIDS and TB, because migrants move on without completing treatment courses. Bergrivier total registered patients receiving ARTs increased significantly between 2017 and 2018 (increase of 267 patients). The number of new antiretroviral patients also increased, from 197 in 2017 to 215 in 2018. This could be an indication that the prevalence of HIV is increasing or an indication that more people are being tested and receiving access to HIV treatment.

TABLE 12: HIV/AIDS

AREA	REGISTERED PATIENTS RECEIVING ART		NUMBER OF NEW ART PATIENTS	
	2017	2018	2017	2018
Bergrivier Municipality	1 054	1 321	197	215
West Coast District	10 202	11 255	2 125	2 118

*Western Cape SEP, 2019*

- Child Health

The United Nations Sustainable Development Goals aims, by 2030, to end preventable deaths of new-borns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1 000 live births and under-5 mortalities to at least 25 per 1 000 live births (Source: UN SDG's).

The Department of Health strongly advises that children be protected from infectious diseases by getting vaccinated from birth to 12 years of age. Vaccination is free of charge at public health facilities. The Department also runs immunisation campaigns and health workers are sent to nursery schools and crèches to immunise children. The **immunisation rate** in the Bergrivier area has been generally low, although the rate has improved increasing from 44.1 per cent in 2017 to 56.0 per cent in 2018.

The **number of malnourished children** under five years in the Bergrivier area remained unchanged between 2017 and 2018 at 0.8 per 100 000 persons,

**Neonatal mortality rate (NMR)** (per 1 000 live births) in the Bergrivier area has also remained unchanged at 0.0 between 2017 and 2018. The **low birth weight** indicator deteriorated from 14.0 per cent in 2017/18 to 17.4 per cent in 2018.

TABLE 13: INFANT AND CHILD HEALTH

AREA	IMMUNISATION RATE UNDER 1		ACUTE MALNUTRITION - CHILD UNDER 5		NEONATAL MORTALITY RATE		LOW BIRTH WEIGHT	
	2017	2018	2017	2018	2017	2018	2017	2018
Bergrivier Municipality	44.1	56.0	0.8	0.8	0.0	0.0	14.0	17.4
West Coast District	54.3	59.1	1.7	2.1	9.2	6.4	13.4	13.8

*Western Cape SEP, 2019*

- Maternal Health

The maternal mortality ratio for Bergrivier is 0.0. The delivery rate to women under the age of 20 years had declined from 18.6 % to 16.1 % between 2017 and 2018. The termination of pregnancy rate remained unchanged at 0.3 between 2017 and 2018.

TABLE 14: MATERNAL HEALTH

AREA	MATERNAL MORTALITY RATE		DELIVERY RATE TO WOMEN UNDER 18 YEARS		TERMINATION OF PREGNANCY RATE	
	2017	2018	2017	2018	2017	2018
Bergrivier	0.0	0.0	18.6	16.1	0.3	0.3
West Coast District	25	71	16.6	1626	0.4	0.4

*Western Cape SEP, 2019*

#### 1.4.3 POVERTY

High poverty levels impact on the well-being of the community and the sustainability of the Municipality as it reduces the ability of people to pay for services and increases dependency on indigent grants which the Municipality finances from its equitable share. The intensity of poverty and the poverty headcount of municipalities are measured. The intensity of poverty is measured by calculating the Poverty Gap Index which is the average poverty gap in the population as a proportion of the poverty line. The Poverty Gap Index estimates the depth of poverty by considering how far, on the average, the poor are from that poverty line. The Poverty Gap Index is a percentage between 0 and 100 percent. A theoretical value of zero implies that no one in the population is below the poverty line. Individuals whose income is above the poverty line have a gap of zero, while individuals whose income is below the poverty line would have a gap ranging from 1 % to 100 %, (with a theoretical value of 100 % implying that everyone in the population has an income that is below the poverty line or zero). A higher poverty gap index means that poverty is more

severe.

### Poverty Headcount and Intensity:

The higher poverty headcount indicate that the proportion of poor people in Bergrivier Municipality has increased from 1 % (2011) to 1.6 % (2016).

TABLE 15: POVERTY HEADCOUNT AND INTENSITY

AREA	POVERTY HEADCOUNT (PERCENTAGE)		POVERTY INTENSITY (PERCENTAGE)	
	2011	2016	2011	2016
Bergrivier	1.0	1.6	43.7	41.5
West Coast District	2.0	2.9	41.9	44.5
Western Cape	3.6	2.7	42.6	40.1

Western Cape SEP, 2017

The intensity of poverty, i.e. the proportion of poor people that are below the poverty line within the Bergrivier Municipal Area decreased from 43.7 % in 2011 to 41.5 % in 2016. An increase in real GDP per capita is experienced if the real economic growth rate exceeds the population growth rate. Even though real GDP per capita reflects changes in the overall well-being of the population, income levels still differ substantially across the population. The real GDP per capita for Bergrivier Municipality is significantly below the average real GDP per capita rates for the Western Cape and marginally lower than that of the West Coast District. The National Development Plan has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. The figures below indicates that Bergrivier GDP per capita and the income inequality in 2018.

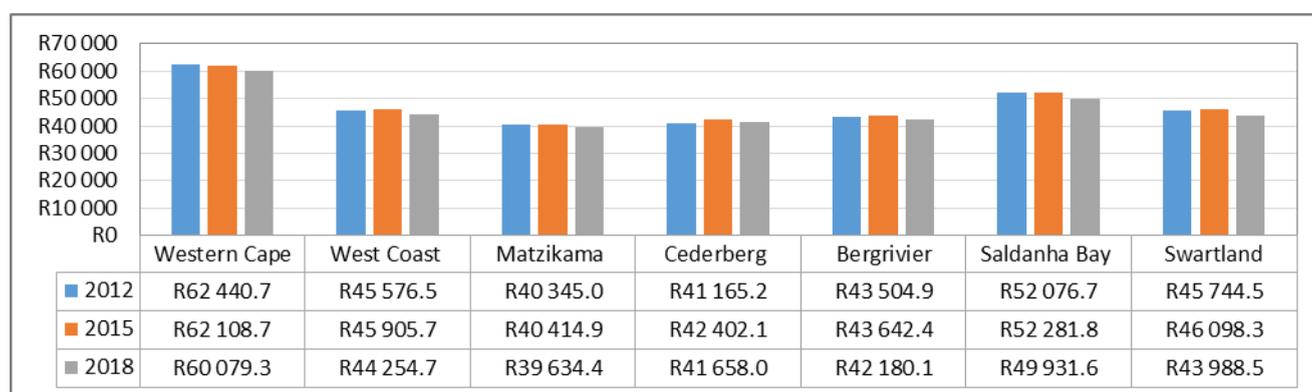


FIGURE 13: GDP PER CAPITA

MERO 2019

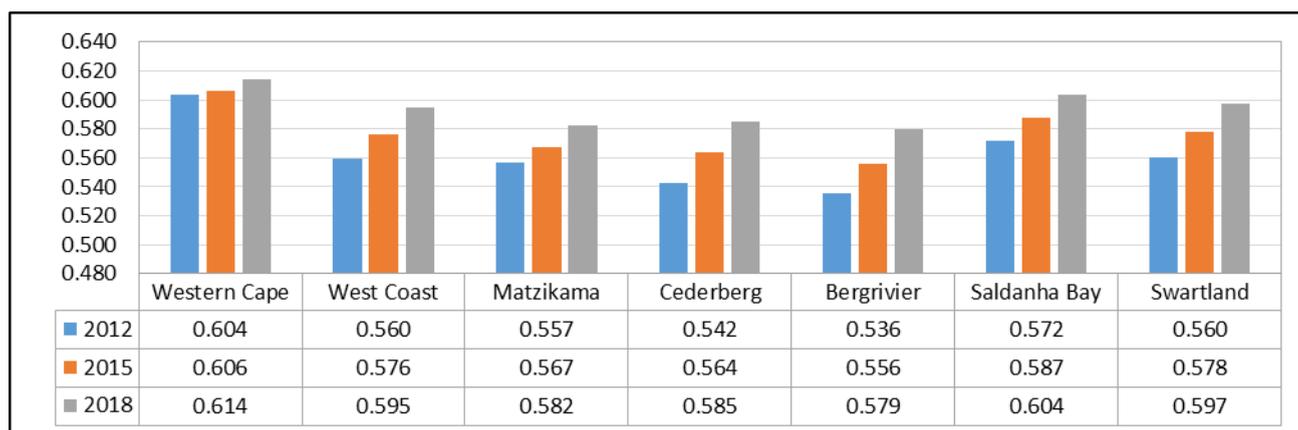


FIGURE 14: INCOME INEQUALITY 2012 – 2018

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### Household Income

The annual income for household living in Bergrivier Municipal Area is divided into 3 categories, namely the proportion of people that fall within the low, middle and high income brackets. Poor households fall in the low income bracket which ranges from no income to R 50 000 annually (R 4 166/ month). Increase in living standards is evidenced then by a rising number of households entering the middle and high income brackets. An estimated 49 % of households in Bergrivier Municipality fall within the low income bracket of which 9.4 % have no income. 45 % of the households fall in the middle income group with 6 % in the higher income group.

TABLE 16: HOUSEHOLD INCOME (PER ANNUM)

INCOME CATEGORY	WEST COAST DISTRICT	MATZIKAMA	CEDERBERG	BERGRIVIER	SALDANHA BAY	SWARTLAND	
No income	10.7	8.1	9.6	9.4	14.1	10.4	Low income
R1- R6 314	1.8	1.8	1.6	1.5	2.3	1.4	
R6 315 – R12 628	3.1	3.3	3.3	1.9	3.9	2.9	
R12 629-R25 257	14.0	17.3	18.3	13.7	10.9	13.1	
R 25 258 – R 50 514	21.8	24.9	25.2	22.4	17.4	22.1	
<b>Subtotal</b>	<b>51.4</b>	<b>55.3</b>	<b>58.1</b>	<b>49.0</b>	<b>48.6</b>	<b>49.9</b>	
R 50 515 – R 101 028	19.2	18.3	20.7	21.8	16.6	20.1	Middle
R 101 029 – R 202 055	13.2	11.6	10.4	14.0	15.2	13.0	

INCOME CATEGORY	WEST COAST DISTRICT	MATZIKAMA	CEDERBERG	BERGRIVIER	SALDANHA BAY	SWARTLAND	
R 202 056 – R 404 111	9.4	8.5	6.5	9.1	11.5	9.5	
<b>Subtotal</b>	<b>41.8</b>	<b>38.4</b>	<b>37.7</b>	<b>45.0</b>	<b>43.3</b>	<b>42.7</b>	
R 404 112 - R 808 221	4.9	4.4	3.2	4.5	5.7	5.3	High income
R 808 222 – R 1 616 442	1.3	1.1	0.7	0.8	1.7	1.6	
R 1 616 444 – R 3 232 885	0.4	0.5	0.2	0.4	0.5	0.3	
R 3 232 886+	0.3	0.3	0.1	0.4	0.3	0.2	
<b>Subtotal</b>	<b>6.8</b>	<b>6.3</b>	<b>4.2</b>	<b>6.1</b>	<b>8.1</b>	<b>7.5</b>	

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The following table provides an overview of the average monthly household income. The monthly household income for the District remained constant whereas the provincial average declined by 0.2 %.

TABLE 17: AVERAGE MONTHLY HOUSEHOLD INCOME, 2017

MUNICIPALITY	AVERAGE HOUSEHOLD INCOME 2017	TREND
	CURRENT PRICES	2008 -2017
Matzikama	R 12 800	0.1
Cederberg	R 12 736	1.1
Bergrivier	R 13 819	0.7
Saldanha Bay	R 14 698	-0.6
Swartland	R 15 023	-0.2
West Coast District	R 14 056	0
Western Cape	R 18 611	-0.2

### ***Indigent Households***

In response to the poverty levels of its communities, municipalities offer households support through their indigent policy. The indigent policy provides for free or discounted rates on municipal specified services such as water, electricity, sanitation, refuse removal as well as property rates. The non-financial census of municipalities released by Statistics South Africa in 2016 indicates increases or decreases of indigent households per municipal area between 2014 and 2015. The following table provides an overview of the number of indigents in Bergrivier Municipal Area:

TABLE 18: INDIGENT HOUSEHOLDS

AREA	2015/16	2016/17	2017/18	2018/19
Bergrivier	1 793	1 711	1 753	1 992

*Bergrivier Billing Reports 2018/19*

#### 1.4.4 THE LOCAL ECONOMY

The Bergrivier Municipal Area is the third largest local economy within the West Coast District, with regional gross domestic product amounting to R 4 434 billion in 2017.

In the Bergrivier Municipal Area, in 2017, the local economy was dominated by the agriculture, forestry and fishing sector (R 1.278 billion; 28.8 %), followed by manufacturing (R1.008 billion; 22.7 %); wholesale and retail trade, catering and accommodation (R 572.8 million; 12.9 %) and finance, insurance, real estate and business services (R 445.2 million; 10.0 %). Combined, these top sectors contributed R 3.303 billion (or 74.4 %) to Bergrivier economy, estimated to be worth R 4.434 billion in 2017.

TABLE 19: GDPR PERFORMANCE PER SECTOR, 2008 - 2017

SECTOR	CONTRIBUTION TO GDPR (%) 2017	R MILLION VALUE 2017	TREND		AVERAGE REAL GDPR GROWTH (%)				
			2008 - 2017	2014 - 2018E	2014	2015	2016	2017	2018E
Primary sector	29,5%	1 306,5	4,2%	1,7%	8,9%	-1,4%	-7,7%	11,6%	-3,0%
Agriculture, forestry & fishing	28,8%	1 277,7	4,4%	1,8%	9,0%	-1,3%	-7,8%	11,9%	-2,9%
Mining & quarrying	0,6%	28,7	-2,3%	-2,3%	3,2%	-3,4%	-3,0%	-1,9%	-6,2%
Secondary sector	27,9%	1 236,4	2,5%	2,1%	3,1%	3,4%	1,2%	0,1%	2,5%
Manufacturing	22,7%	1 007,7	2,6%	2,3%	3,2%	3,7%	1,1%	0,2%	3,3%
Electricity, gas & water	1,6%	68,8	-1,6%	-0,9%	-2,2%	-2,0%	-2,1%	0,1%	1,7%
Construction	3,6%	159,9	3,6%	1,7%	4,5%	3,4%	2,4%	0,1%	-1,9%
Tertiary sector	42,6%	1 891,0	2,2%	1,4%	2,4%	1,4%	1,6%	0,7%	1,1%
Wholesale & retail trade, catering & accommodation	12,9%	572,8	1,8%	1,0%	1,6%	2,1%	1,9%	-0,7%	0,3%
Transport, storage & communication	5,1%	227,6	0,9%	0,5%	2,9%	-0,9%	0,3%	0,6%	-0,2%
Finance, insurance, real estate & business services	10,0%	445,2	3,7%	3,2%	3,5%	3,3%	3,3%	3,0%	3,1%
General government	9,4%	418,1	1,3%	-0,6%	1,7%	-1,2%	-1,3%	-1,6%	-0,7%
Community, social & personal services	5,1%	227,4	3,2%	2,7%	3,1%	2,5%	3,2%	2,8%	2,1%
Total Bergrivier	100%	4 433,9	2,8%	1,6%	4,6%	1,0%	-1,5%	3,8%	0,1%

Western Cape SEP 2019

The 10-year trend shows that the agriculture, forestry and fishing sector registered the highest average growth rates (4.4 %), followed by the finance, insurance, real estate and business services sector (3.7 %), the construction sector (3.6 %) and the community, social and person services sector (3.2 %). The manufacturing sector, the sector with the second largest contribution to the economy (22.7 %), registered growth of 2.6 % between 2008-2017. Growth in the agriculture, forestry and fishing sector experienced strong positive growth of 11.9 % in 2017, showing some recovery from the following the contractions experienced in 2015

and 2016, however it is estimated to contract again by 2.9 % in 2018. Although overall growth was relatively strong in 2017 (3.8 %), at 0.1 %, estimated growth for 2018 is virtually non-existent. (SEP, 2019)

The figure below indicates the balance of trade in the Bergrivier Municipal Area between 2007 and 2018. The agriculture, forestry and fishing sector was the primary driver of the positive trade balance (surplus) experienced in the region over the reference period. The trade surplus was largest in 2016, with the surplus in this year well over R120 million, overwhelmingly driven by the agriculture, forestry and fishing sector.

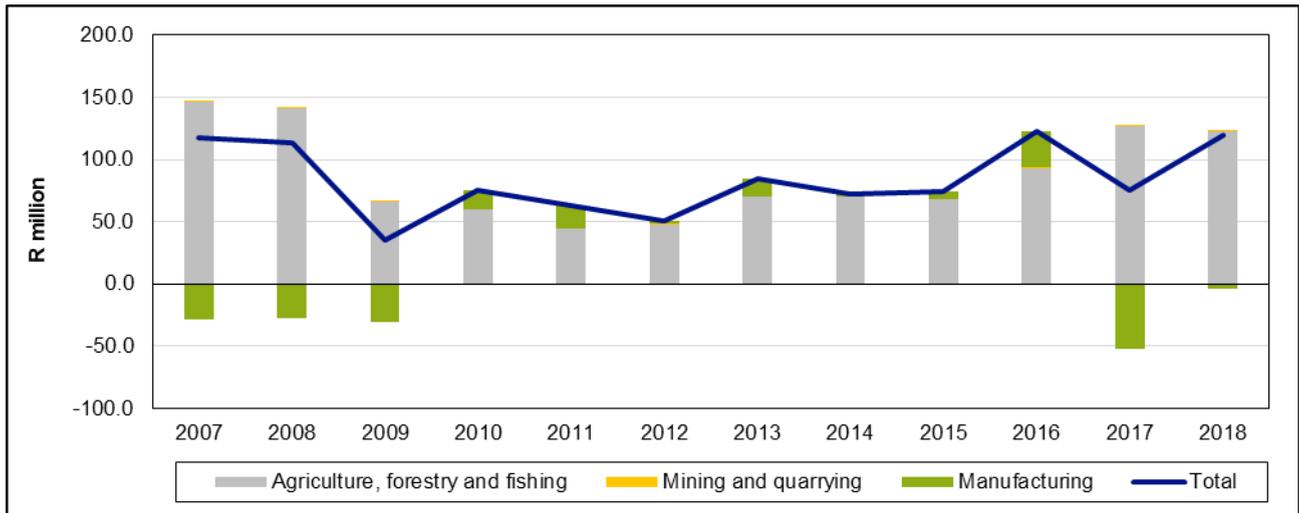


FIGURE 15: BERGRIVIER TRADE BALANCE, 2007 - 2018

*Western Cape SEP 2019*

The manufacturing sector accounted for 88.5 % of all imports into the area, while the agriculture, forestry and fishing sector accounted for 11.5 %. Exports were mostly composed of goods from the agriculture, forestry and fishing sector (75.9 %), with the manufacturing sector accounting for 23.9 % of export revenue.

Manufactured goods accounted for the highest proportion of both imports, with the agriculture, forestry and fishing sector making up the highest proportion of exports in the Bergrivier Municipal Area. Goods from the manufacturing sector accounted for 88.5 % of imports, with the agriculture, forestry and fishing sector accounting for the remaining 11.5 %. The agriculture, forestry and fishing sector had the larger presence in terms of exports, with 75.9 % stemming from this sector. Nonetheless, the manufacturing sector remained a significant source of exports from the Bergrivier Municipal Area, with a contribution of 23.9 %.

With a value of R 11.9 million in 2018, harvesting and threshing machinery and machines used for cleaning, sorting or grading agricultural produce sourced from Italy were the top imported items in the Bergrivier municipal area. Another main import was knotted netting used for fishing purposes; was primarily sourced from Vietnam.

Some of the top imported goods used for consumption purposes in 2018 were frozen fish, specifically mackerel, which were sourced from Taiwan and China. Frozen fish to the value of R 5.7 million were

imported in 2018, with Taiwan and China contributing 61.4 % and 38.6 % respectively. Other top imported goods in the Bergivier municipal area in 2018 were direction-finding compasses and other navigational instruments sourced from Canada, and woven fabrics of synthetic filament yarn, which were imported from Greece. This indicates that many of goods imported into the Bergivier Municipal Area are used as inputs in the local farming and fishing industries.

Export revenue in the Bergivier Municipal Area was driven mainly by the fishing subsector. Exports of fish and crustaceans, molluscs and other aquatic invertebrates accounted for 68.2 % of the Bergivier Municipal Area's total export revenue. Spain was the main export destination for exports from the fishing subsector – 88.4 % export revenue generated this sector stemmed from Spain. Other top importers of fish from the Bergivier Municipal Area in 2018 were Portugal and Namibia.

With a value of R 15.6 million in 2018, edible fruit was also a dominant source of export revenue. With a combined value of R 11.0 million, fresh apples, pears and quinces were the top export in this category. Singapore was the largest importer of pears, while apples were mainly exported to Nigeria. Another important export sourced from the agricultural sector was essential oils to the value of R 5.5 million, primarily exported to the United Kingdom. Machinery and plastic articles were mainly exported to African countries such as Angola and Namibia, with most export revenue stemming from Angola. Angola imported compression-ignition internal combustion piston engines to the value of R 2.2 million, pumps for liquids to the value of R 1.2 million, and tubes, pipes, and hoses to the value of R 3.3 million. Exports to Namibia were primarily machinery used for soil preparation or cultivation

- Labour force

Global, national, provincial and regional economic trends impact on the local economy. Economic growth at a local level is essential for economic development, reduction of poverty and improved accessibility. Economic growth is measured by Regional Gross Domestic Product (GDPR) and is driven by two components, namely population growth and labour productivity. Labour productivity reflects the ability to provide increased output from the existing quantity of labour in the economy. Various government agencies and independent analysts produce measures of labour productivity. For high-level analyses of the second component of economic growth, a productivity measure using overall economic production provides the most comprehensive and consistent measurement of economic productivity.

The agriculture, forestry and fishing sector contributed more than half of all the jobs to the area in 2017 (15 006; 51.0 %), followed by the wholesale and retail trade, catering and accommodation sector (3 875; 13.2 %) and the community, social and personal services (2 651; 9.0 %) sector. Combined, these three sectors contributed 21 532 or 73.1 % of the 29 448 jobs in 2017.

TABLE 20: EMPLOYMENT GROWTH PER SECTOR 20018 - 2017

SECTOR	CONTRIBUTION TO EMPLOYMENT (%)	NUMBER OF JOBS	TREND		EMPLOYMENT (NET CHANGE)				
	2017	2017	2008 - 2017	2014 - 2018E	2014	2015	2016	2017	2018E
<b>Primary sector</b>	51,1%	15 040	-3 637	1 350	-654	3 239	-552	-471	-212
Agriculture, forestry & fishing	51,0%	15 006	-3 620	1 355	-654	3 239	-552	-469	-209
Mining & quarrying	0,1%	34	-17	-5	0	0	0	-2	-3
<b>Secondary sector</b>	10,5%	3 105	285	418	162	171	64	4	17
Manufacturing	7,7%	2 263	131	288	120	160	11	-11	8
Electricity, gas & water	0,2%	58	17	2	1	0	2	2	-3
Construction	2,7%	784	137	128	41	11	51	13	12
<b>Tertiary sector</b>	38,4%	11 303	2 410	1 181	284	275	180	259	183
Wholesale & retail trade, catering & accommodation	13,2%	3 875	817	508	59	145	62	172	70
Transport, storage & communication	1,5%	452	141	35	-9	16	10	13	5
Finance, insurance, real estate & business services	6,3%	1 846	588	342	60	86	66	62	68
General government	8,4%	2 479	77	-119	91	-91	8	-121	-6
Community, social & personal services	9,0%	2 651	787	415	83	119	34	133	46
<b>Total Bergrivier</b>	100%	29 448	-942	2 949	-208	3 685	-308	-208	-12

Several sectors experienced net job losses between 2014 and 2018, with the agriculture, forestry and fishing sector shedding the most jobs in the last 3 years (- 1 230). This can be attributed to the effects of the prolonged drought in the District. This is a concern considering the very significant contribution of this sector to Bergrivier's economy and employment. The sector which reported the largest increase in jobs between 2014-2018 was the agriculture, forestry and fishing sector (1 355) as a result of a strong growth in 2015 even though there have been subsequent job losses, the wholesale, retail and trade (508), which showed consistent growth over each of the years during this period; and the Community, social and personal services (415) which also showed consistent growth over the period. (SEP, 2019)

The following figure is an overview of the sectoral GDP and employment contribution in Bergrivier Municipal Area for the 2017 period (%):

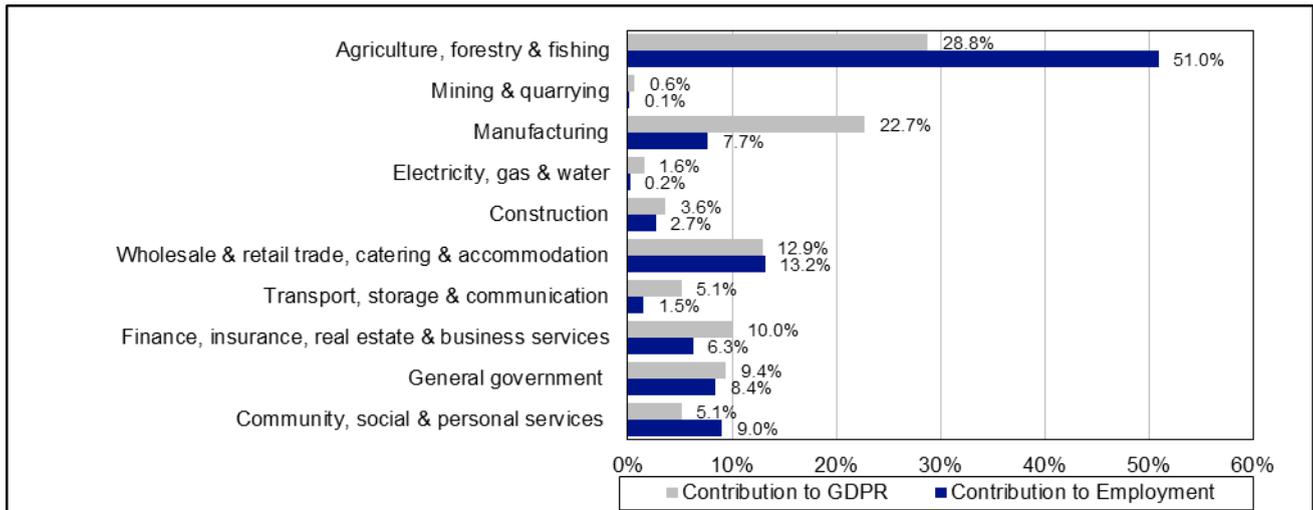


FIGURE 16: SECTORAL GDP AND EMPLOYMENT CONTRIBUTION

*MERO 2019*

Tourism is part of the wholesale and retail trade, catering and accommodation sector and is one of the largest sources of employment in the country and uses a high rate of unskilled labour. National, Provincial and Regional strategies are placing a high priority on marketing, brand management and stimulating regional and domestic tourism and interventions include the development of business and events tourism, niche product, rural tourism (small town) development, responsible tourism development, increasing investment in tourism development, increasing investment in the tourism sector, transformation of the sector, promoting decent work, improving service excellence, addressing community beneficiation and effective co-operative partnerships. The Bergrivier Tourism Organisation provides the services to develop Bergrivier Municipal Area into a tourism destination of choice.

Events tourism is highlighted as a growth area in all the strategies. It is estimated that the 350 visitors to Porterville in 2013, to participate in the Paragliding World Cup, has contributed approximately R 4 million to the local economy over an eight day period. Events such as these provide ample free marketing opportunities. The development and improvement of public and private tourism infrastructure is critical for sustainable growth. The standard of facilities, comfort, convenience and points of interest are vital to persuade the traveller to spend time and money in the Municipal Area rather than just passing through.

#### 1.4.5 EMPLOYMENT

High poverty levels are exacerbated by unemployment. Data sets indicate that 38 % of the economically active population are employed and only 4 % of the economically active population (18 - 65 years) are unemployed or discouraged from seeking work. This means that 58 % of the population between the ages of 18 and 65 who could be economically active, are not economically active for various reasons and this translates to high levels of dependency on the economically active population. The unemployment rate is believed to be somewhat optimistic, if compared to income and poverty levels within the Municipality and

job losses that have been suffered. Another factor that needs to be taken cognisance of is the fact that a high proportion of the Municipality's economically active population are seasonal workers in the agricultural sub sector who only work during certain times of year.

There is a gender imbalance in terms of employment and 5 % more men are employed than women. The economically inactive population indicates that 7 % more women are economically inactive than men. The unemployed and discouraged work seekers are almost on a par. This attests to a need to empower women. The following figure and table graphically depicts the Municipality's employment levels.

TABLE 21: WEST COAST DISTRICT EMPLOYMENT GROWTH, 2017

MUNICIPALITY	CONTRIBUTION TO EMPLOYMENT (%) 2017	NUMBER OF JOBS 2017	TREND 2008 - 2017	EMPLOYMENT (NET CHANGE) 2018E
Matzikama	15.6	28 105	480	91
Cederberg	14.5	26 167	1 245	243
Bergrivier	16.4	29 448	-942	-12
Saldanha Bay	28.2	50 734	3 180	369
Swartland	25.3	45 596	4 746	511
<b>Total West Coast District</b>	<b>100</b>	<b>180 050</b>	<b>8 709</b>	<b>1 202</b>
Western Cape Province	-	2 518 080	326 286	35 433

MERO 2019

Unemployment leads to poverty which impacts negatively on the Municipality's income as it reduces the ability of people to pay for services and people become dependent on indigent grants which the Municipality has to finance through its equitable share as well as other grants provided by other government departments through SASSA. The Municipality faces a number of challenges relating to unemployment, the most fundamental being that it must find ways and means to stimulate the local economy which will in turn lead to job creation. Coupled to this is the need to facilitate the establishment of education and training facilities in the Municipal Area that will provide access to training and skills development. This will enable the local community to take advantage of available employment opportunities

### 1.5 ENVIRONMENTAL OVERVIEW

The Environment is a concurrent National and Provincial competency in terms Schedule 4A of the Constitution. The Municipal Systems Act requires municipalities to work together with other organs of state to contribute to the progressive realisation of the right to environment (Section 23). The Bill of Rights (Section 24) states that

*"Everyone has the right –*

*a) to an environment that is not harmful to their health or well-being;*

*b) to have the environment protected, for the benefit of present and future generations through reasonable legislative and other measures that;*

*i. prevent pollution and ecological degradation*

*ii. promote conservation*

*iii. secure ecologically sustainable development and use of natural resources while*

*c) promoting justifiable economic and social development”.*

In addition, there are numerous other statutes that give a defined role to municipalities in the conservation and sustainable development of the environment. There are also statutes that regulate the way in which municipalities perform their functions to ensure minimal negative impact to the environment.

Bergrivier Municipality consciously strives to conserve the natural environment by minimising the impact of its own activities. It also strives to minimise the impact of other parties' activities through the utilisation of mechanisms provided by law. There are a number of factors that impact on the environment, one of the most critical being poverty which forces impoverished people to rely on natural resources which are often used unsustainably. Conversely private and public development initiatives which are needed to address poverty also have the potential to impact negatively on the environment if not managed correctly. The challenge that the Municipality faces is to ensure that all development is done in a sustainable manner.

Another critical consideration as stated in the Biodiversity Sector Plan (2010) is the Infestations of invasive alien plants which poses serious threats to municipal infrastructure and functioning, as well as to biodiversity. Their massive fuel loads often lead to uncontrollable fires, and they reduce water supply and spoil scenery, impacting negatively on tourism and agricultural potential. The Municipality is faced with this challenge to manage and control invasive alien plants and animals which poses a threat to the biodiversity within the municipal areas and the greater ecosystem functioning of the entire area.

As stated in the preceding section, the wholesale, retail trade, catering and accommodation sector has the highest Gross Domestic Product growth rate (GDPR) growth and is the most significant employment sector in Bergrivier Municipality. Tourism is included in this sector and in Bergrivier Municipality the natural environment is the foundation of the tourism industry. The following table provides an overview of some of the key natural resources and its significance in and for Bergrivier Municipality.

TABLE 22: KEY NATURAL RESOURCES

NATURAL RESOURCE	SIGNIFICANCE TO COMMUNITY
<b>Berg River and Estuary</b>	<ul style="list-style-type: none"> <li>☑ Provides a range of eco system services (primary water source of Municipality)</li> <li>☑ Recreation (especially angling, canoeing, boating)</li> <li>☑ Agriculture (irrigation)</li> </ul>
<b>Coastal Zone (Including Berg River Estuary)</b>	<ul style="list-style-type: none"> <li>☑ Recreation (especially angling, canoeing, boating)</li> <li>➤ Water sports and other forms of recreation</li> <li>☑ Conservation</li> </ul>

NATURAL RESOURCE	SIGNIFICANCE TO COMMUNITY
	<ul style="list-style-type: none"> <li>☐ Tourism (especially birding)</li> <li>☐ Fishing industry</li> <li>☐ Salt industry (Cerebos and Kliphoeck)</li> <li>➤ Residential development</li> <li>➤ Port Owen Marina</li> </ul>
<b>Verlorenvlei (upper reaches near Redelinghuys)</b>	<ul style="list-style-type: none"> <li>☐ Conservation</li> <li>☐ Tourism (especially birding)</li> <li>☐ Recreation</li> </ul>
<b>Rocherpan</b>	<ul style="list-style-type: none"> <li>☐ Conservation</li> <li>☐ Tourism (especially birding)</li> <li>☐ Recreation</li> </ul>
<b>Groot Winterhoek Wilderness Area</b>	<ul style="list-style-type: none"> <li>☐ Conservation</li> <li>☐ Tourism (especially eco-tourism)</li> <li>☐ Recreation</li> </ul>

The Municipality works in partnership with various organs of state and private institutions to ensure that it gives effect to its environmental obligations.

## 1.6 GOVERNANCE OVERVIEW

Chapter 2 provides detailed information on the governance performance of the Municipality during the 2018/19 financial year.

### 1.6.1 POLITICAL AND ADMINISTRATIVE GOVERNANCE

Sections 153(a) and (b) of the Constitution state that the Municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community. It must also participate in national and provincial development programmes. Municipal councils may exercise their authority within an area of jurisdiction as determined by the Municipal Demarcation Board in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998).

- **Political governance**

The Municipality's political governance structures comprise:

- o The Municipal Council which is constituted by 13 Councillors and led by a DA majority;
- o The Office of the Speaker who is the chairperson of the Municipal Council and responsible for the application of the Code of Conduct, public participation and ward committees;
- o The Executive Mayor and Mayoral Committee. The Council has delegated all its executive functions except those which it may not delegate by law to the Executive Mayor and the Mayoral Committee to ensure optimal operational efficiency;
- o Portfolio Committees, of which there are three Section 80 Committees namely Financial Services Technical Services and Community Services Portfolio Committees. The Section 80 Committees are chaired by the Executive Deputy Mayor and the two members of the Mayoral Committee. The remaining members of these Committees comprise the other Councillors.

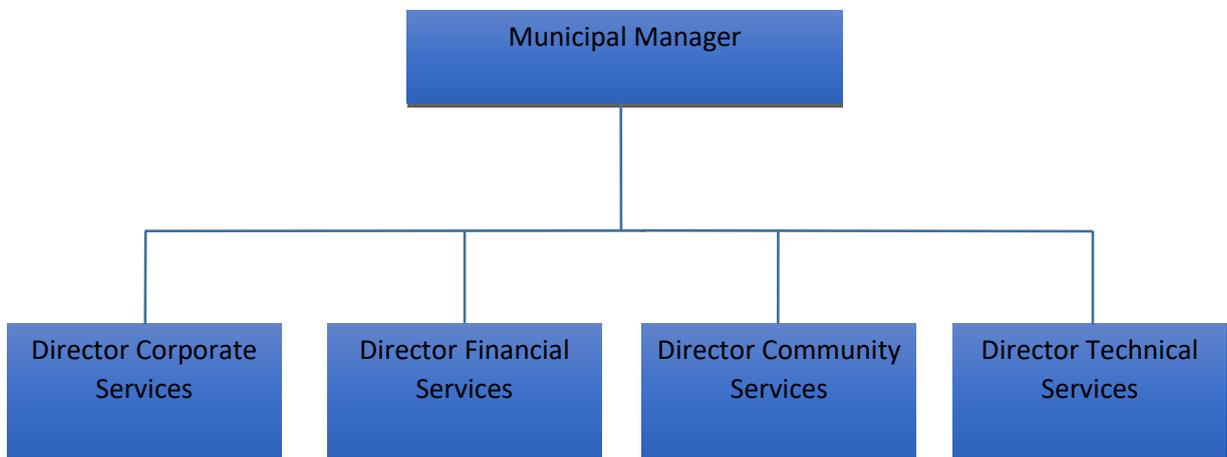
Council also established two Section 79 Committees, namely Corporate Services and Economic Development Portfolio Committees. The Committees are chaired by an appointed Councillor and the Executive Deputy Mayor respectively. The Section 80 and 79 committees have no decision making powers and may only make recommendations to the Mayoral Committee.

- Other Committees established by the Council for specific purposes, are the Municipal Public Accounts Committee (MPAC), Performance/Audit Committee, Oversight Committee, Risk Committee, Health and Safety Committee, Labour Forum and Training Committee.

The Municipal Council functions in terms of the Council's Rules of Order, which have the same status as a by - law. The Rules of Order were promulgated in the Provincial Gazette on 7 June 2013. Councillors are bound by the Code of Conduct for Municipal Councillors which is contained in Schedule 1 of the Municipal Systems Act.

- **Administrative governance**

The Municipal Manager is the head of the administration and is responsible and accountable for all aspects of the Municipality and is also legally the Municipality's Accounting Officer. The different directors of all the functionary directorates report directly to the Municipal Manager. All incumbents were appointed in terms of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) with the required experience, knowledge, skills and educational levels. The macro structure makes provision for the undermentioned organizational units:



- **By-laws**

Section 11 of the Municipal System Act gives Municipal Councils the executive and legislative authority to pass and implement by-laws. By-laws are discussed in Chapter 2.

- **The Municipal Website**

The Municipality is required to develop and maintain a functional website that displays relevant information as per the requirements of the Municipal Finance Management Act, 56 of 2003 (Section 75), and the Municipal Systems Act ("MSA") Section 21(A) and (B) as amended. The municipal website is

a key communication mechanism in terms of service offering and information sharing. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. The official website of Bergrivier Municipality is [www.bergmun.org.za](http://www.bergmun.org.za).

#### 1.6.2 INTERGOVERNMENTAL RELATIONS

Section 3 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to exercise their executive and legislative authority within the constitutional system of co-operative government envisaged in Section 41 of the Constitution. The municipality participates on numerous National, Provincial and District intergovernmental forums. The municipality is furthermore involved in the development of a partnership agreement with a Belgium municipality to share experiences and to implement joint projects.

#### 1.6.3 PUBLIC PARTICIPATION AND ACCOUNTABILITY

The Constitution (Section 152) sets out the objectives of local government, one of which is the provision of democratic and accountable government to local communities. This is reiterated by Section 15(b) of the Municipal Systems Act (2000) which requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff.

- **Public participation**

Municipalities are required to encourage local communities and community organisations to participate in the matters of local government. A Municipality is required to develop a culture of community participation and develop a system of participatory municipal governance that compliments formal representative governance. The Municipality is also required to supply its community with information concerning municipal governance, management and development. Bergrivier Municipality makes use of the following public participation structures:

- **Public meetings:** A total of 13 formal town based public meetings over and above the ward committee meetings.
- **Ward Committees:** A total of 36 ward committee meetings were held during the year.
- **IDP Representative Forum meetings:** The meetings took place on 4 October 2018 and in May 2019. The objectives of these meetings were to provide the formal sectors of the community with an opportunity to give input into the IDP and budget process and economic development issues were predominantly addressed. The IDP Forum meetings also assisted greatly in the Joint Planning process with Provincial Government by assisting the Municipality with the identification and prioritisation of game changers in our area.
- **Sector engagement:** In a bid to enhance the quality of public participation outcomes, the Municipal Area was divided into 14 sectors and have commenced with individual sector

engagements with registered stakeholders in each sector. Sector engagements take the form of two way dialogues between and amongst sector representatives and the Municipality and are proving to be very effective as it focusses on issues as well as ways and means of resolving issues jointly. It also enables the Municipality to solicit more detailed inputs than it is possible to do in public meetings. During the previous and this financial year, Bergrivier focused on local economic development and had sector engagements with tourism, agriculture, and SMME empowerment.

#### 1.6.4 CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws and relationships affecting the way an institution is directed, administered or controlled.

- **Audit Unit**

The Municipality has an Internal Audit Unit as required by Section 165(1) of the MFMA and an Internal Auditor and an Assistant Internal Auditor who reports to the Municipal Manager. The Internal Auditor is responsible for the Audit Unit and must also ensure that the Audit and Performance Committee meets as legislated and that all aspects required by legislation are submitted at these meetings to ensure that the committees are informed and that recommendations can be made.

- **Risk management**

The Municipality has a Risk Committee which meets quarterly. Strategic risks are identified during the annual strategic planning session of the Council as well as by senior management at management meetings and Risk Committee Meetings. Departmental and operational risks are identified by the directorates and managed by the respective Directors. Strategic risks are captured in an automated electronic risk register (Risk Assist) after Council approves the Annual Risk Register.

- **Anti-corruption and fraud**

Bergrivier Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. The policy of the municipality is zero tolerance to corruption and fraud.

Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent. Implementing good governance, ethics, accountability as well as strategies and policies to prevent fraud and corruption is based on the principle that service delivery is the priority of the Municipality. Implementation of these principles and awareness are continuous processes aimed at ensuring that the interest and needs of the public are met.

- **By-laws**

Section 11 of the Municipal System Act gives Municipal Councils the executive and legislative authority

to pass and implement by-laws. By-laws are discussed in Chapter 2.

- **The Municipal Website**

The Municipal Systems Act (Section 21(B)) requires the Municipality to establish an official website. The Municipal Website is an integral part of the municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Bergrivier Municipality's official website is [www.bergmun.org.za](http://www.bergmun.org.za) and was upgraded significantly during the 2016/17 financial year to provide a one-stop-station of all municipal information.

## 1.7 SERVICE DELIVERY OVERVIEW

Chapter 3 provides more detailed information on basic service delivery as well as all other functions rendered by the Municipality during 2018/19. The functions of the Municipality are set out in Section 156 of the Constitution of the Republic of South Africa, 1996, read together with Schedules 4B and 5B.

Government policy places specific emphasis on the provision of basic services, which entail the provision of electricity, water, sanitation and waste collection. These services underlie the delivery of housing which is a concurrent Provincial and National Government competency and delivered by Bergrivier Municipality on an Agency basis for Provincial and National Government.

The Municipality has been providing basic services at the prescribed level to all urban households within its area of jurisdiction since the 2008/09 financial year, but still faces major challenges when it comes to ensuring that residents of the private Moravian towns have access to minimum service standards. There are on-going discussions between the Municipality, Moravian Church of South Africa, West Coast District Municipality and Province to find a sustainable service delivery solution. SALGA is facilitating these discussions.

### 1.7.1 WATER

The Municipality is a Water Services Authority in terms of the Water Services Act 1997, (Act 108 of 1997) and provides water services to all urban areas within its jurisdiction with the exception of the private Moravian Towns. Water is provided to these towns on request and land owners billed accordingly. Registered indigent households within the Municipality's supply area are entitled to 6 Kl of free basic water. A key challenge that is emerging is the high housing demand and the expanding presence of backyard dwellers due to home owners renting out structures in their yards. Highlights of the 2018/19 financial year were that the Municipality was able to maintain its water losses to 9.4 %. Water losses were 9.93 % in 2016/2017 and 6.98 % in the 2017/2018 financial year. The quality of the Municipality's water as measured against National Standard SANS 241 is still improving and well within the set norms as prescribed by the SANS 242. Water is analysed on a weekly basis according to 4 criteria, namely Microbiological, Chemical, Physical Organoleptic and SANS 241. The results are captured on the National Database of the Department of

Water Affairs and Sanitation. Based on calculating the averages on these four criteria, a water quality of 98 % for Bergrivier Municipality has been achieved. This achievement is above the norm and the figure of 98 % represent excellent water quality.

On 24 May 2017, a provincial state of disaster was declared as a result of the magnitude and severity of the drought affecting the Western Cape. Under section 41(2) of the Disaster Management Act (57 of 2002) the Premier issued directions dealing with restrictions on the use of potable water for domestic and industrial purposes. These directions applied to the Cape Town Metropolitan Municipality and all local municipalities in the Western Cape. For the jurisdiction of Bergrivier Municipality level 6 restrictions were implemented since January 2018, which implied water savings between 40 % and 50 % along with a usage of 50 litres per person per day. Agricultural usage was restricted to a 60 % saving on assigned quotas.

The Municipality quickly adapted to circumstances by lodging a very aggressive public awareness program which resulted in excellent cooperation by the public by saving almost 50 % of water normally used. The Municipality managed to provide water to our community despite having enormous problems with some other role players.

TABLE 23: ACCESS TO WATER

FINANCIAL YEAR	PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS	PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER	PROPORTION OF HOUSEHOLDS ENTITLED TO 6 KL FREE WATER
2016/17	137	8 937	1 879
2017/18	137	9 039	1 746
2018/19	0	9 515	1 988

*30 June 2018 Billing Reports*

TABLE 24: WATER SERVICE DELIVERY LEVELS

DESCRIPTION	2016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL
<b>WATER: (ABOVE MIN LEVEL)</b>			
Piped water inside dwelling	8 937	9 039	9 515
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling )	137	137	0
Other water supply (within 200m)	9 074	9 176	9 515
<b>Minimum Service Level and Above sub-total</b>	8 937	9 039	9 515
<b>Minimum Service Level and Above Percentage</b>	100 %	100 %	100 %

DESCRIPTION	2016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL
<b>WATER: (BELOW MIN LEVEL)</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
Below Minimum Service Level sub-total	0	0	0
Below Minimum Service Level Percentage	0	0	0
<b>Total number of households</b>	<b>8 734</b>	<b>8 937</b>	<b>9 515</b>

30 June 2019 Billing Reports

## 1.7.2 SANITATION

Access to sanitation promotes health and dignity through the provision of safe disposal and treatment of human waste. Where sanitation systems are inadequate, negative health effects can be extremely serious. The current drought highlighted challenges in the use of potable water within the sanitation services process.

TABLE 25: SANITATION IN BERGRIVIER MUNICIPALITY

DESCRIPTION	2016/2017 ACTUAL	2017/2018 ACTUAL	2018/2019 ACTUAL
<b>SANITATION/SEWERAGE: (ABOVE MINIMUM LEVEL)</b>			
Flush toilet (connected to sewerage)	7 167	7 404	7 371
Flush toilet (with septic tank)**	2 092	2 092	2 144
Chemical toilet	0	0	0
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above min. service level)	137	137	0
<b>Minimum Service Level and Above sub-total</b>	<b>9 396</b>	<b>9 633</b>	<b>9 515</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SANITATION/SEWERAGE: (BELOW MINIMUM LEVEL)</b>			
Bucket toilet	0	0	0
Other toilet provisions (below min. 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>

DESCRIPTION	2016/2017 ACTUAL	2017/2018 ACTUAL	2018/2019 ACTUAL
<b>Total number of households</b>	9 396	9 633	9 515

*Western Cape SEP 2019*

Bergvriër experienced significant progress in household access to sanitation services with the proportion of households with access to acceptable standards of sanitation services increasing from 89.7 % in 2011 to 97.9 % in 2018. The Municipality was able to provide an additional 814 households with access annually; access growing at an average annual rate of 5.0 %.

The Municipality provides sanitation services to all urban areas within its jurisdiction with the exception of private towns. All urban households have access to minimum standards of sanitation and all indigent households receive free basic sanitation.

The Municipality was also successful with accessing grant funding (municipal infrastructure grant] from Provincial Government for the upgrading of the Waste Water Treatment Works at Porterville to the amount of R 37 million. The project commenced on 1 July 2017. The key challenge applicable to water provision also applies to sanitation.

### 1.7.3 ELECTRICITY

Energy is essential for human life; generally identified household uses include energy for cooking, heating and lighting. Energy sources also have usage risks; for example, health and safety risks especially in the use of paraffin and open flame usage. The information below relates to the use of electricity for lighting purposes.

TABLE 26: ELECTRICITY SERVICE DELIVERY LEVELS

DESCRIPTION	2016/17: ACTUAL	2017/18:ACTUAL	2018/19:ACTUAL
<b>ENERGY: (ABOVE MINIMUM LEVEL)</b>			
Electricity (at least minimum service level)	1 003	931	782
Electricity - prepaid (minimum service level)	8 371	9 034	9 432
<b>Minimum Service Level and Above sub-total</b>	9 374	9 965	10 214
<b>Minimum Service Level and Above Percentage</b>	100%	100%	100%

Bergvriër is still in the process of replacing old pre-paid and conventional meters with new “split type pre-paid meters”. The Municipality was able to allocate much needed capital to maintain and refurbish old sections of the electricity network.

TABLE 27: OVERVIEW OF ELECTRICITY SERVICES

YEAR	UNITS PURCHASED (kWh)	LOSSES (kWh)	PERCENTAGE (%)	RAND VALUE
2016/17	80 203 384	7 157 336	8.92	R 6 464 506
2017/18	79 806 013	7 704 397	9.65	R 6 958 612
2018/19	82 365 768	10 174 840	12.34	R 9 824 927

The annual growth in household access to electricity of 636 outstripped the total household growth of approximately 559 on average per annum. This coincides with an increase in the proportion of households with access to electricity, increasing from 94.9 % in 2011 to 97.7 % in 2017. In 2018/19 electricity was delivered to 100 % of all the households, with the exception of households receiving electricity from Escom.

The Municipality is responsible for the distribution of electricity in all urban areas with the exception of private towns and a portion of Eendekuil. In Eendekuil the Municipality only distributes electricity to the area where the low cost houses are situated (162 households). Eskom distributes electricity to the areas not serviced by the Municipality. Registered indigent households within the Municipality's supply area are entitled to 50 kWh of free basic electricity. There are also street lighting in all towns.

The Municipality obtained funding (R 1 754 million) from the Department of Energy to provide electricity for the housing projects at Velddrif and Porterville. (137 and 89 plots Velddrif and 116 plots Porterville). Highlights of the 2018/2019 financial year is that the municipality managed to keep their electricity losses at 12.34 %. (Technical and Non-Technical Losses).

#### 1.7.4 WASTE MANAGEMENT

Refuse removal is an essential service that ensures that health related problems are kept at bay. A lack of or inadequate service is likely to result in uncontrolled and unregulated dumping. There are growing concerns around the land and environmental limitations in the creation and lifespan of landfill sites. This would benefit greatly from the 'reduce – reuse – recycle' approach, that firstly encourages non-wasteful consumption practices (reduce), the reuse of products where possible (reuse) and the recycling of the product where its use in current form has been exhausted (recycle).

TABLE 28: SOLID WASTE SERVICE DELIVERY LEVELS

DESCRIPTION	2016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL
<b>SOLID WASTE REMOVAL: (MINIMUM LEVEL)</b>			
Removed at least once a week	9 426	9 523	9 515
<b>Minimum Service Level and Above sub-total</b>	9 426	9 523	9 515
<b>Minimum Service Level and Above percentage</b>	100 %	100%	100 %
<b>SOLID WASTE REMOVAL: (BELOW MINIMUM LEVEL)</b>			
Removed less frequently than once a week	0	0	0

DESCRIPTION	2016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL
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>	0	0	0
<b>Below Minimum Service Level percentage</b>	0%	0%	0%
<b>Total number of households</b>	9 426	9 523	9 515

*30 June 2019 Billing Reports*

Household access to refuse removal services in Bergrivier has increased from 67.0 % in 2011 to 83.6 % in 2016 and to 100 % in 2018. Household access to this service increased faster than the annual growth in formal households (459 on average annually) as well as faster than total household growth of 559 on average per year (between 2011 and 2016).

All households in urban areas, including the private towns Goedverwacht and Wittewater, have access to a weekly refuse removal service. Refuse is taken to refuse transfer stations at Piketberg, Velddrif and Porterville from where it is transported to license landfill sites at Malmesbury and Vredenburg in accordance with agreements concluded with the Swartland Municipality and Saldanha Bay Municipality. A key challenge is the rehabilitation of the landfill sites at Piketberg and Porterville, due to the high cost involved. The Municipality recycle on average 7 % of the waste generated (excluding green material and building rubble), which contributes to lower dumping and transport costs. The Municipality is in the process of constructing a recycling plant at Piketberg and a weigh bridge at Velddrif in order to accommodate the increasing recycled waste material and to be able to weigh all our waste and recyclables as is required by legislation. NEMWA Act (59 of 2008). One of the highlights is that the municipality is one of a few municipalities that were able to adhere to the said legislation.

The municipality also wrote a business plan to the Federal Government (VVSG) Belgium and is in a Stedeband relationship with Heist-op-den Berg. (See more detail paragraph 3.2.4)

#### 1.7.5 HUMAN SETTLEMENTS (HOUSING)

Housing is a concurrent National and Provincial competency in terms of Schedule 4A of the Constitution. Section 10 of the Housing Act, 1997 (Act 107 of 1997) sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of co-operation between the Municipality and the Provincial and National Departments responsible for Housing. Chapter 3 provides an overview of the performance and challenges on the provision of housing in Bergrivier Municipality.

### 1.7.6 FREE BASIC SERVICES

In the past, free basic water and electricity (6 kl water and 50 kW/h electricity) were supplied to all households irrespective of their financial position. From 2013/14, it was decided to provide free basic water to indigent households only. Thereafter, during 2014/15, the provision of free basic electricity followed and was only delivered to indigent households. Free basic refuse removal and sanitation are provided to indigent households only. Families that are classified as indigent are determined through policy guidelines which is amended each year with the Annual Budget. The municipality maintains a register which allows it to document all those households needing access to free basic services. The indigent policy seeks to realise the following objectives:

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of an appropriate tariff system that contributes to such sustainability through cross subsidisation;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
- The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households; and
- Co-operative governance with other spheres of government.

TABLE 29: HOUSEHOLD ACCESS TO FREE BASIC SERVICES

FINANCIAL YEAR	TOTAL	RATES	ELECTRICITY	WATER	REFUSE	SEWERAGE
2018/19	1 992	1 992	521	1 988	1 992	1 758
2017/18	1 753	1 753	681	1 746	1 753	1 534
2016/17	1 893	1 893	1 706	1 879	1 893	1 681

For the current year, households earning less than the threshold of two state pensions plus 40 % qualified for indigent assistance and applicants have to go through a formal application process at the various municipal offices and registration is valid for 12 months from approval.

### 1.8 ORGANISATIONAL DEVELOPMENT OVERVIEW

Chapter 4 provides detailed information on the Municipalities organisational development.

#### 1.8.1 THE MUNICIPAL WORKFORCE

The total approved positions on the organogram are 566, as on 30 June 2019, of which 403 positions are funded.

TABLE 30: MUNICIPAL WORKFORCE

MUNICIPAL WORKFORCE	
Years	Number of employees
30-Jun-16	378
30-Jun-17	389
30-Jun-18	376
30-Jun-19	385

#### 1.8.1.1 MANAGEMENT

The Municipal Manager is appointed on a fixed term contract in terms of Section 57 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and the Directors reporting to the Municipal Manager are appointed on permanent contracts. Employment contracts and performance agreements are in place for the Municipal Manager and all Directors reporting to the Municipal Manager.

The Municipal Manager's employment contract was extended on 03 October 2016 and renewed for another five years from August 2017 to August 2022. The Chief Financial Officer resigned and left the service of the municipality on 30 November 2018 and the Director Technical Services on 30 June 2019. A new Chief Financial Officer was appointed by Council on 23 October 2018 and the commencement date of employment was 01 January 2019. The recruitment and selection process for the Director Technical Services already started on 29 May 2019 and will be concluded by 30 August 2019, subject to the appointment of a suitable candidate.

#### 1.8.1.2 WORKFORCE, TURNOVER AND VACANCIES

The municipality employed 385 employees at the end of June 2019 and the total vacancy rate as on 30 June 2019, (funded positions) was 4.23 % comprising seventeen (17) funded positions. The vacancy rate for funded positions is 4.23 % which is lower than the 13.70 % during the previous financial year, 2017/2018. The vacancy rate is carefully managed and strategically done as a saving mechanism and to fund temporary positions needed for operational requirements. The total staff turnover rate for the financial year to date is 4.67 %.

#### 1.8.1.3 EMPLOYMENT EQUITY

The Municipality is strongly committed to the achievement of employment equity and equal opportunity for all employees and is actively working towards creating and maintaining a fair and equitable working environment, free from all forms of discrimination and harassment. It is difficult for the Municipality to comply with the employment equity targets of the country and the Western Cape Province demographics as it normally recruits from the region and the Employment Equity Plan was amended to reflect the demographics of the West Coast District Municipality, instead of the Western Cape Province.

#### 1.8.1.4 HUMAN RESOURCE POLICIES AND PLANS

All policies and plans required by legislation are in place, as well as a number of other policies that are necessary for the maintenance of harmonious labour relations. During the year a new policy on the

Membership of Medical Funds and Registration of Dependants on Medical Funds and a Transport Allowance policy were approved by council.

#### 1.8.1.5 TERMINATIONS, RECRUITMENT, SELECTION AND ABSENTEEISM

There were 18 terminations during the financial year and consisted of the following: Eleven resignations, four retirements and three deceased. The Municipality's absenteeism rate is higher than the national norm of 1.5 % and needs to be addressed. The absenteeism rate decreased from 2.86 % in the previous financial year to 2,45 % for 2018/19.

TABLE 31: TERMINATIONS FOR JUNE 2019

	JULY '18	AUG '18	SEPT '18	OCT '18	NOV '18	DEC '18	JAN '19	FEB '19	MAR '19	APR '19	MAY '19	JUN '19
Resignations	3	3	0	0	1	1	0	1	1	0	0	1
Retirement	0	1	0	0	1	0	1	0	0	1	0	0
Death	2	0	0	1	0	0	0	0	0	0	0	0
Absenteeism	0	0	0	0	0	0	0	0	0	0	0	0
Other misconduct	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>

TABLE 32: PERMANENT APPOINTMENTS

JUL-18								
	NAME	EMPLOYEE NR	DIRECTOR RATE	DEPARTMENT	JOB DESIGNATION	GEN DER	RACE	DATE OF APPOINTMENT
1	Wilma Terry Thomas	580	Corporate Service	Human Resource	HR PROVISIONING & ADMINISTRATION (PB)	F	C	1-Jul-18
2	Angila Joubert	578	Corporate Service	Environmental Planning	ENVIRONMENTAL OFFICER (VD)	F	W	1-Jul-18
3	Shovan van Zyl	577	Technical Service	Civil Services	ADMIN OFFICER CIVIL (PV)	M	C	1-Jul-18
4	Devon Wilsnach	581	Technical Service	Civil Services	ADMIN OFFICER CIVIL (VD)	M	C	1-Jul-18
AUG-18								
	NAME	EMPLOYEE NR	DIRECTOR RATE	DEPARTMENT	JOB DESIGNATION	GEN DER	RACE	DATE OF APPOINTMENT
1	David Carolissen	573	Community Services	Community Services	Manager Facilities	M	C	1-Aug-18
SEP-18								
	NAME	EMPLOYEE NR	DIRECTOR RATE	DEPARTMENT	JOB DESIGNATION	GEN DER	RACE	DATE OF APPOINTMENT
1	Nelmarie Bothma	593	Financial Services	Finance	Manager: SCM & Expenditure	F	W	1-Sep-18
2	Lucinda Cupido	594	Community Services	Housing	Senior Housing Officer	F	C	1-Sep-18
Oct-18								

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	Name	Employee Nr	Directorate	Department	Job Designation	Gender	Race	Date of Appointment
<b>NOV-18</b>								
	NAME	EMPLOYEE NR	DIRECTORATE	DEPARTMENT	JOB DESIGNATION	GEN DER	RA CE	DATE OF APPOINTMENT
1	Vyonne Julies	001	Corporate Services	Committee	Clerk: Committee Services	F	C	1-Nov-18
<b>DEC-18</b>								
	NAME	EMPLOYEE NR	DIRECTORATE	DEPARTMENT	JOB DESIGNATION	GEN DER	RA CE	DATE OF APPOINTMENT
1	Heinrich Januarie	445	Corporate Services	Information & Communication Technology	System/Network Administrator	M	C	1-Dec-18
2	Adele van Rossum	458	Corporate Services	Town Planning & Environmental Management	Compliance Officer	F	W	1-Dec-18
3	Carmen Cloete	522	Corporate Services	Corporate Services	PA: Director Corporate Services	F	C	1-Dec-18
4	Lenchen Parks	745	Financial Services	Expenditure & Supply Chain	Admin Officer: Salaries & Wages	F	C	1-Dec-18
5	Eugenia Smith	633	Community Services	Facilities Management	Foreperson: Facilities Management (VD)	F	C	1-Dec-18
6	Ralph Titus	604	Community Services	Facilities Management	Foreperson: Facilities Management (PV)	M	C	1-Dec-18
7	Andre Petersen	740	Technical Services	Civil Services	Manager: Civil Engineering Services (VD)	M	C	1-Dec-18
8	Nickay Adams	602	Corporate Services	Client & Administration Support	Cleaner/Beverage Attendant (VD)	F	C	1-Dec-18
9	Ridaa Kearns	624	Technical Services	Projects	Manager: Project Management & Building Control	M	C	1-Dec-18
<b>JAN 2019</b>								
	NAME	EMPLOYEE NR	DIRECTORATE	DEPARTMENT	JOB DESIGNATION	GEN DER	RA CE	DATE OF APPOINTMENT
1	Clayton Scholtz	752	Financial Services	Expenditure & Supply Chain	Accountant: Expenditure	M	C	01 Jan 2019
2	Marius Wüst	753	Financial Services	CFO / Director Financial Services	Financial Services	M	W	01 Jan 2019
3	Christine Bestbier	411	Community Services	Traffic Services	Principal Clerk: E-Natis (VD)	W	F	01 Jan 2019
<b>FEB 2019</b>								
	NAME	EMPLOYEE NR	DIRECTORATE	DEPARTMENT	JOB DESIGNATION	GEN DER	RA CE	DATE OF APPOINTMENT
1	Wikus Burger	755	Technical Services	Civil Services	Technician Civil Services	M	W	01 Feb 2019
<b>MARCH 2019</b>								
	NAME	EMPLOYEE NR	DIRECTORATE	DEPARTMENT	JOB DESIGNATION	GEN DER	RA CE	DATE OF APPOINTMENT
1	Joan Rosenberg	757	Corporate Services	Administration	Senior Typist	F	C	01-Mar-19
2	Angus	758	Technical	Civil Services	Handyman: Buildings	M	C	01-Mar-19

	McCullem		Services		(VD)			
3	Ilse van Wyk	759	Community Services	Facilities Management	Head: Facilities Management	F	C	01-Mar-19
4	Luther Bowers	760	Technical Services	Civil Services	Transfer Station Attendant (VD)	M	C	01-Mar-19

**APRIL 2019**

	NAME	EMPLOYEE NR	DIRECTORATE	DEPARTMENT	JOB DESIGNATION
1	Amelio Afrikaner	762	Corporate Services	Administration	IT Helpdesk Assistant
2	Daantjie Swarts	763	Technical Services	Civil Services	General Assistant: Roads
3	Craig Beukes	761	Community Services	Traffic	Traffic Officer

**MAY 2019**

	NAME	EMPLOYEE NR	DIRECTORATE	DEPARTMENT	JOB DESIGNATION
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**JUNE 2019**

	NAME	EMPLOYEE NR	DIRECTORATE	DEPARTMENT	JOB DESIGNATION
1	Sylbert Meyer	767	Corporate Services	Human Resources	Labour Relations and Wellness C
2	Revedy-Levern Hendricks	765	Financial Services	Supply Chain Management	Principal Clerk: SCM
3	Alice Loff	475	Community Services	Library Services	Library Assistant (Aurora)
4	Bennille Rosant	479	Community Services	Library Services	Library Assistant (Goedverwach
5	Daine Jones	766	Community Services	Protection Services	Head Distater Management and
6	Nigel Visagie	768	Technical Services	Civil Services	Worker All Services (Aurora)
7	Chandré Fredericks	764	Community Services	Library Services	Library Aid (LB Wernich)

**1.8.1.6 OCCUPATIONAL HEALTH AND SAFETY**

A total of 16 incidents occurred and is an increase from the financial year 2018/2019. Eight injuries occurred in Piketberg, five in Velddrif and three in Porterville. No incidents were recorded in the other towns within Bergrivier Municipal area.

**1.8.2 CAPACITATING THE MUNICIPAL WORKFORCE**

One of Bergrivier's development priorities is the development of the work force. During the financial year 2018/19, R 912 618.78 (excluding external bursaries) was spent on training and development of employees. The spending consisted of R 135 900 for learnerships with grant funding received from the Chemical SETA, R 54 875 for bursaries for employees and a training budget of R 721 843.78. A further R 360 000 that was received from Provincial Treasury was spent on external bursaries and the municipality also spend R 299 084 on external bursaries that were budgeted for.

### 1.8.3 MANAGING THE WORKFORCE EXPENDITURE

The Municipality's employee costs are calculated as a percentage of the Municipality's operating expenditure. R 123 486 307.00 for 2018/19 was spent on employee costs, which translates to a percentage of 38.39 %. This is slightly higher than the previous year where employee costs constituted 38.30 % of the operating budget. The percentage personnel expenditure to total expenditure is higher for small municipalities as the same legal requirements for budgetary reporting, internal audit, strategic planning, performance management and intergovernmental relations and working groups apply to all municipalities, irrespective of their size. This places pressure on the size of smaller municipality's staff structures.

## 1.9 FINANCIAL HEALTH OVERVIEW

### 1.9.1 FINANCIAL PERFORMANCE

#### 1.9.1.1 FINANCIAL PERFORMANCE

The financial position of the Municipality improved year on year, because the annual surplus increased to R 26 546 020 from R 15 953 985 during 2017/18. The Net Cash Flow from operating activities also increased to R 31 550 382 from R 22 498 224 during 2017/18. Receivables from Exchange Transactions increased to R 53 367 672 from R 40 390 717 (2017/18) while the Service Charges decreased to R 145 624 075 from R 149 250 118 (2017/18).

TABLE 33: INCOME OVERVIEW

DETAILS	ORIGINAL BUDGET 2018/19	ADJUSTMENT BUDGET 2018/19	ACTUAL 2018/19
	R	R	R
<b>INCOME</b>			
Grants	-83 694 252.00	-81 228 527.00	-76 540 207.70
Taxes, Levies and Tariffs	-235 380 244.00	-236 933 877.00	-228 430 884.30
Other	-31 086 940.00	-30 365 534.00	-43 229 195.00
<b>SUBTOTAL</b>	<b>-350 161 436.00</b>	<b>-348 527 938.00</b>	<b>-348 200 287.00</b>
Less: Expenditure	335 845 290.00	335 343 378.00	321 654 227.90
<b>NET TOTAL</b>	<b>14 316 146.00</b>	<b>13 184 560.00</b>	<b>26 546 059.10</b>

### 1.9.1.2 FINANCIAL GRANTS

The Municipality received the following grants and transfers:

TABLE 34: FINANCIAL GRANTS

DESCRIPTION	2017/18	BUDGET YEAR 2018/19				
	YEAR-END BALANCE	RECEIVED	YTD OPERATING EXP	YTD CAPITAL EXP	OTHER MOVEMENT	YEAR-END BALANCE
	R	R	R	R	R	R
Provincial Grants	93 947	9 037 730	(7 417 730)	(1 059 985)	-	653 962
National Grants	-	67 107 000	(47 652 182)	(19 454 818)	-	-
Other	105 523	823 090	(955 493)	-	26 880	-
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>199 470</b>	<b>76 967 821</b>	<b>(56 025 405)</b>	<b>(20 514 803)</b>	<b>26 880</b>	<b>653 962</b>

### 1.9.1.3 ASSET MANAGEMENT

The Asset base of the municipality is integral to the municipality's ability to provide services; like water, electricity, sanitation, etc. to the community in terms of its Constitutional mandate. It is the duty of the municipality to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use and not left in an unproductive or idle state. Assets are assessed on an ongoing basis for impairment and written off or replaced where applicable. Assets are managed and maintained by the Directorate under which they resort and provision is made under their respective operational budgets for maintenance over the life cycle of the asset.

### 1.9.1.4 FINANCIAL RATIOS AND INDICATORS

The Municipality has a number of operating ratios and indicators to enable it to benchmark its financial

performance. The basis of calculation of these ratios can be found in Chapter 5. The following table provides an overview of the key ratios and indicators and indicates their status:

TABLE 35: OPERATING RATIOS

DETAIL	2016/17	2017/18	2018/19
Liquidity Ratio	321.64 %	378.36 %	411.84 %
Cost coverage Ratio	4 times	3.61 times	2.98 times
Outstanding service debtors to revenue	35.75 %	43.18 %	54.44 %
Debt coverage	25.60 times	24.67 times	26.82 times
Capital Charges to operating expenditure	3.62 %	3.71 %	3.58 %
Employee costs	36.96 %	38.30 %	38.39 %
Repairs & maintenance	3.16 %	2.58 %	2.64 %

As can be deduced from the above table of ratios, the municipality is consistently growing its financial sustainability based on prudent accounting principles as prescribed by the MFMA. The municipality however needs to improve its costing system to adequately account for actual costs spent on Repairs & Maintenance. At this stage the costs of Repairs & Maintenance is understated as employee and operational costs are not factored in the above calculation.

## 1.9.2 SPENDING AGAINST CAPITAL BUDGET

### 1.9.2.1 CAPITAL EXPENDITURE

The total original capital budget for 2018/19 was R 45 663 870.00. During the adjustment budget, this amount increased to R 45 857 674.00. The increase on the capital budget was mainly due to the re-allocation of funding for the drought. The actual outcome for payment for capital assets was R 41 608 571.00. The total spending was therefore 90.73 %.

TABLE 36: TOTAL CAPITAL EXPENDITURE

DETAIL	2016/17	2017/18	2018/19
	R 000	R 000	R 000
Original Budget	32 478	31 320	45 664
Adjustment Budget	29 144	34 211	45 858
Actual	27 823	31 382	41 609
Percentage of Adjustment Budget:	95.47 %	91.73 %	90.73 %

### 1.9.3 CASH FLOW MANAGEMENT AND INVESTMENTS

#### 1.9.3.1 CASH FLOW

The Municipality's cash flow deteriorated during 2018/19. The municipality focused on efficient use of its resources and realised savings in critical areas of the operational budget.

#### 1.9.3.2 BORROWING AND INVESTMENTS

An external loan to the amount of R 6 950 000 was taken up during the 2018/2019 financial year. Call investments to the value of R 6 852 211 existed at year end. Additional cash investments were however held during the year which yielded interest returns of R 6.2 million during the year.

#### 1.9.3.3 SUPPLY CHAIN MANAGEMENT (SCM)

The Municipality has a Supply Chain Management Unit in place. However the structure does not give effect individually to all six areas of SCM namely demand, acquisition, logistics, disposal, risk and performance management, meaning that the functions are addressed by the available staff. The Municipality has a fully functional Bid Committee System in place and no Councillor is a member of any committee dealing with SCM processes. The Municipality has revised its Supply Chain Management Policy during the year to respond to changes in legislation. The focus of SCM has shifted from being a compliance-driven unit to becoming a local economic development enabling unit without compromising compliance with legislation. This shift is in response to the direction provided by the Western Cape Provincial Government initiatives to promote Small, Medium and Micro Enterprise (SMME) development.

#### 1.9.3.4 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal finances are comparable and more informative when comparing with other institutions. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Bergrivier strives to adhere to these standards at all times and is considered to be fully GRAP compliant.

#### 1.9.3.5 ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements of the Bergrivier Municipality for 2018/19 have been prepared in accordance with Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in Accordance with Section 122(3) of the said Act. The Annual Financial Statements are appended as Volume II of this document.

### 1.10 AUDITOR GENERAL REPORT

Annual Financial Statements must be submitted to the Auditor General for auditing in terms of Section 126 of the Municipal Finance Management Act, 2000, (Act 56 of 2003). The Auditor General is required to submit an Audit Report to the Municipal Manager which contains one of the following opinions:

- An unqualified opinion without matters (Commonly referred to as a “Clean Audit”).
- An unqualified opinion with emphasis of matter or other matters. (These matters do not affect the auditor’s opinion on whether the financial statements are fairly presented).
- Modified opinions of which there are three types namely:
  - A qualified opinion which is expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management regarding departures from the financial reporting framework, or a limitation of scope, is not as material and pervasive as to require an adverse opinion or a disclaimer of opinion.
  - An adverse is opinion expressed when the effect of a disagreement with management regarding departures from the financial reporting framework is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.
  - A Disclaimer of opinion which is expressed when the possible effect of a limitation of scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence to form an opinion and accordingly is unable to express an opinion on the financial statements.

TABLE 37: AUDIT OUTCOME HISTORY

OPINION	2014/15	2015/16	2016/17	2017/18	2018/19
Unqualified opinion without matters (Clean Audit)		X	x	x	x
Unqualified opinion with emphasis of matter or other matters	X				
Qualified opinion					
Adverse opinion					
Disclaimer					

The Audit report for 2017/18 was unqualified without matters. The complete Report is contained as part of the Annual Financial Statements (AFS) Volume II to this report.

### 1.11 STATUTORY ANNUAL REPORT PROCESS

The 2018/19 Annual Report reflects the performance of Bergrivier Municipality for the financial year commencing on 1 July 2018 and ending on 30 June 2019. This Annual Report is compiled in terms of Section 121 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) read together with Section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000).

TABLE 38: STATUTORY ANNUAL REPORTING PROCESS

LEGISLATION	SECTION	MAIN PROVISIONS
Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	Section 46: Annual performance reports	<p>1) A municipality must prepare for each financial year a performance report reflecting</p> <p>(a) the performance of the municipality and of each external service provider during that financial year;</p> <p>(b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and</p> <p>(c) measures taken to improve performance.</p> <p>2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.</p>
Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)	Section 121: Preparation and adoption of annual reports	<p>1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.</p> <p>2) The purpose of an annual report is-</p> <p>(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;</p> <p>(b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and</p> <p>(c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.</p> <p>3) The annual report of a municipality must include-</p> <p>(a) the annual financial statements of the municipality, and in addition, if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126 (1);</p> <p>(b) the Auditor-General's audit report in terms of section 126 (3) on those financial statements;</p> <p>(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;</p> <p>(d) the Auditor-General's audit report in terms of section 45 (b) of the Municipal Systems Act;</p> <p>(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;</p> <p>(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;</p> <p>(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); (h) any explanations that may be necessary to clarify issues in connection with the financial statements;</p> <p>(i) any information as determined by the municipality;</p> <p>(j) any recommendations of the municipality's audit committee; and</p> <p>(k) any other information as may be prescribed.</p>

LEGISLATION	SECTION	MAIN PROVISIONS
	Section 127: Submission and tabling of annual reports	<p>2) <i>The Mayor must within seven months (by end January) of the financial year, table in the municipal council the annual report of the municipality.</i></p> <p>3) <i>If the mayor, for whatever reason, is unable to table in council the annual report of the municipality, or the annual report of any municipal entity under the municipality's sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must:</i></p> <p><i>a) Promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and</i></p> <p><i>b) Submit to council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.</i></p>
		<p>5) <i>Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must—</i></p> <p><i>(a) in accordance with section 21A of the Municipal Systems Act—</i></p> <p><i>(i) make public the annual report; and</i></p> <p><i>(ii) invite the local community to submit representations in connection with the annual report; and</i></p> <p><i>(b) submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the</i></p>
	Section 129: Oversight reports on annual reports	<p>1) <i>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</i></p>



## CHAPTER 2: GOVERNANCE

View of Piketberg with surrounding mountains

Photographer: Matthew Sheldon

## 2.1 INTRODUCTION

In terms of Section 40 of the Constitution of South Africa (1996) government is constituted as national, provincial and local spheres (municipalities) of government which are distinctive, interdependent and interrelated. The three spheres of government are required to co-operate with one another and adhere to the principles of cooperative governance as set out in the Constitution as well as the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) (IGRF).

Sections 153 (1) and (2) of the Constitution state that the executive and legislative authority of a municipality is vested in its municipal council and that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution. Municipal councils may exercise their authority within an area of jurisdiction as determined by the Municipal Demarcation Board in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998).

Bergvriër Municipality is an organ of state within the local sphere of government, and is established in terms of Section 12 of the Municipal Structures Act, 1998 (Act 117 of 1998), as a Local Municipality with an Executive Mayoral System combined with a Ward Participatory system. Section 2(b) of the Municipal Systems Act, 2000 (Act 32 of 2000) states that a municipality is constituted by three partners, namely its political structures, administration and the community.

At Bergvriër Municipality we believe that these three partners must work seamlessly together to produce the best results:

FIGURE 17: COMPOSITION OF A MUNICIPALITY

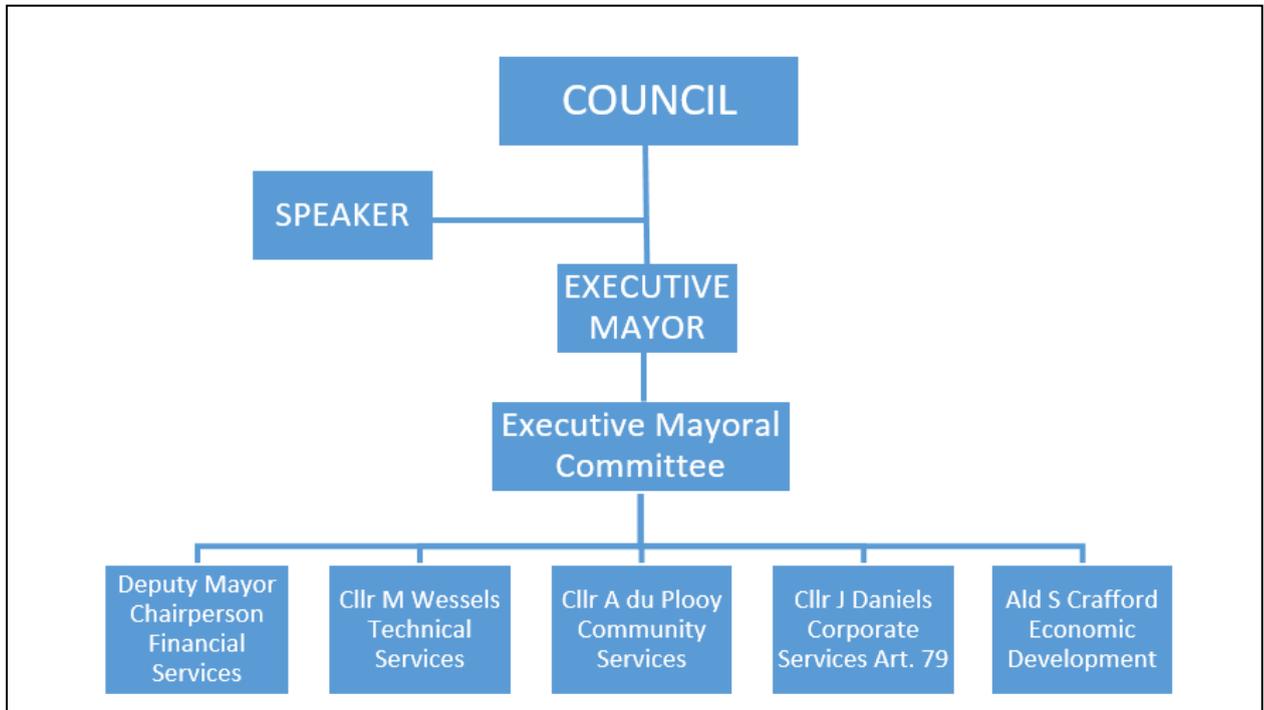


## 2.2 POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated most of its executive functions 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 and decision-makers, Councillors are also actively involved in community work

### 2.2.1 POLITICAL GOVERNANCE



The following is a graphic illustration of Council's present executive structure:

The comprehensive Municipal political governance structures comprise:

- The Municipal Council;
- The Speaker;
- The Executive Mayor and Executive Mayoral Committee;
- Portfolio Committees; and
- Other Committees established by Council for specific purposes.

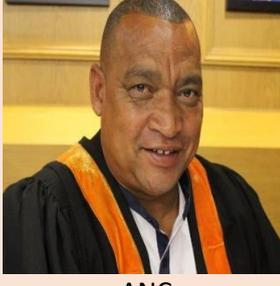
#### 2.2.1.1 THE MUNICIPAL COUNCIL

Councillors are elected by the local voters to serve a predetermined term of office on the local council as representatives of their respective constituents. Municipal elections take place every five years and the Municipal Council was elected following the Local Government Elections held on 3 August 2016.

Councillors are remunerated in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). In terms of this Act, the upper limits of salaries, allowances and benefits of different members of municipal councils are determined annually by regulation. The Municipal Council must take a decision to apply the regulation and obtain approval from the Provincial Minister of Local Government to implement it. The Municipal Council of Bergrivier Municipality comprises 13 Councillors, seven of whom are Ward

Councillors and six of whom are Proportional Representation (PR) Councillors. The table below provides a list of Councillors, their office, political affiliations and whether they are a ward or proportional councillor.

TABLE 36: COUNCILLOR REPRESENTATION

<p>Ald RM van Rooy Executive Mayor</p>	<p>Ald SM Crafford Deputy Mayor</p>	<p>Ald A de Vries Speaker</p>	<p>Cllr M Wessels Mayoral Committee</p>	<p>Cllr AJ du Plooy Ward Councillor</p>
				
<p>DA (Ward 4)</p>	<p>DA (Ward 7)</p>	<p>DA (Ward 3)</p>	<p>DA (Proportional)</p>	<p>DA (Ward 2)</p>
<p>Cllr J Daniels Ward Councillor</p>	<p>Cllr A Small Ward Councillor</p>	<p>Cllr J Botha Councillor</p>	<p>Cllr A van Wyk Ward Councillor</p>	<p>Cllr D de Bruin Councillor</p>
				
<p>DA (Ward 1)</p>	<p>DA (Ward 6)</p>	<p>DA (Proportional)</p>	<p>DA (Ward 5)</p>	<p>ANC (Proportional)</p>
<p>Ald SIJ Smit Councillor</p>	<p>Cllr S Lesch Councillor</p>	<p>Cllr I Adams Councillor</p>		
				
<p>ANC (Proportional)</p>	<p>ANC (Proportional)</p>	<p>ANC (Proportional)</p>		

Section 37(c) of the Municipal Structures Act requires Municipal Councils to meet quarterly (minimum of 4 meetings). The Bergrivier Municipal Council held a total of 15 meetings (Ordinary and Special meetings) during the course of the financial year. The following tables indicate the Council Meetings that were held and individual attendance.

TABLE 39: COUNCIL MEETINGS

DATES	ATTENDANCE	APOLOGIES	ABSENT
20 July 2018 (Ald RM van Rooy: Inaugurated as Executive Mayor)	11	1	1
31 July 2018	12	1	0
28 August 2018	13	0	0
25 September 2018	10	2	1
23 October 2018	10	2	1
30 October 2018 (Councillors S. Claassen resigned and B. Claassen was removed from office as from 26/10/18)	11	0	0
27 November 2018 (Mr. D. de Bruin inaugurated as a councillor)	10	1	0
13 December 2018	10	2	0
09 January 2019	12	0	0
22 January 2019 (Alderman J. Swart resigned on 18/01/19 and Cllr AA van Wyk inaugurated)	11	1	0
26 February 2019 (Mr. IS Adams inaugurated as a councillor)	13	0	0
26 March 2019	11	1	1
30 April 2019	8	5	0
28 May 2019	13	0	0
21 June 2019	12	1	0

- Between 30/10/2018 and 27/11/2018 the Council of Bergrivier Municipality consisted of 11 Councillors only, due to Councillor S. Claassen's resignation and B. Claassen being removed from office as from 26/10/18);
- Between 27/11/2018 and 22/01/2019 the Council of Bergrivier Municipality consisted of 12 Councillors only;
- Councillor D. de Bruin inaugurated as a councillor on 27 November 2018;
- Alderman J. Swart resigned on 18 January 2019;
- Councillor A.A. van Wyk inaugurated as a councillor 22 January 2019; and
- Councillor I.S. Adams inaugurated as a councillor 26 February 2019.

TABLE 40: MEETING ATTENDANCE

MEMBERS	SCHEDULED MEETINGS	MEETINGS ATTENDED	APOLOGIES TENDERED	ABSENT
Ald RM van Rooy (Inaugurated as Executive Mayor of Bergrivier Municipality on 20 July 2018)	15	15	0	0
Cllr J. Daniels	15	13	2	0
Cllr AJ du Plooy	15	14	1	0
Ald A. de Vries	15	15	0	0
Cllr SS Lesch (Me)	15	15	0	0
Ald SM Crafford (Me)	15	13	2	0
Cllr A. Small (Me)	15	14	1	0
Ald SR Claassen (resign as Councillor on 30/10/18)	8	5	1	2
Ald SIJ Smit (Me)	15	14	1	0
Cllr MA Wessels	15	13	2	0
Ald J. Swart (resign as Councillor on 22/01/19)	9	4	4	1
Cllr BJ Claasen (expelled as Councillor on 27/11/18)	8	7	1	0
Cllr JC Botha (Councillor from 26/08/18)	15	13	2	0
Cllr D. de Bruin (Inaugurated as Councillor on 27/11/2018)	9	9	0	0
Cllr AA van Wyk (Inaugurated as Councillor on 22/01/2019)	6	5	0	1
Cllr IS Adams (Inaugurated as Councillor on 26/02/2019)	5	5	0	0

The Municipal Manager reports absenteeism of Councillors to the Speaker monthly. The Speaker is the Chairperson of the Council, enforcing the Code of Conduct for Councillors. The following table indicates the allocation of Councillors to the various committees.

TABLE 41: COUNCILLOR ALLOCATIONS TO COMMITTEES

COUNCILLORS	FULL TIME /PART TIME	COMMITTEE ALLOCATION	WARD AND/ OR PARTY
Ald RM van Rooy	Full-time	Mayoral Committee (Chair) Risk Management Committee (Ex-Officio)	Ward 4 DA
Ald SM Crafford (Ms)	Full-time	Mayoral Committee Financial Services Committee (Chair) Corporate Services Committee Economic Development Committee (Chair) Risk Management Committee Audit- and Performance Committee Budget Steering Committee (Chair)	Ward 7 DA

COUNCILLORS	FULL TIME /PART TIME	COMMITTEE ALLOCATION	WARD AND/ OR PARTY
Ald A. de Vries	Full-time	Economic Development Committee Local Labour Forum Training Committee Audit- and Performance Committee	Ward 3 DA
Cllr MA Wessels	Full-time	Mayoral Committee Financial Services Committee Community Services Committee Technical Services Committee (Chair) Corporate Services Committee Local Labour Forum Training Committee Risk Management Committee Budget Steering Committee	DA
Cllr AJ du Plooy	Full-time	Mayoral Committee Corporate Services Committee Community Services Committee (Chair) Technical Services Committee Economic Development Committee Local Labour Forum Training Committee Risk Management Committee Budget Steering Committee (Ex-Officio)	Ward 2 DA
Cllr J Daniels	Part-time	Mayoral Committee Financial Services Committee Corporate Services Committee (Chair) Local Labour Forum Training Committee Risk Management Committee Budget Steering Committee	Ward 1 DA
Cllr A Small (Ms)	Part-time	Technical Services Committee Community Services Committee Oversight Committee Municipal Public Accounts Committee	Ward 6 DA
Cllr J Botha	Part-time	Financial Services Committee Corporate Services Committee Economic Development Committee Oversight Committee Municipal Public Accounts Committee	DA
Cllr AA v Wyk	Part-time	Community Services Committee Technical Services Committee	Ward 5 DA
Ald SIJ Smit (Ms)	Part-time	Financial Services Committee Economic Development Committee Oversight Committee (Chair) Municipal Public Accounts Committee (Chair) Budget Steering Committee	ANC
Cllr SS Lesch (Ms)	Part-time	Corporate Services Committee Economic Development Committee Oversight Committee Municipal Public Accounts Committee	ANC
Cllr D de Bruin	Part-time	Community Services Committee	ANC
Cllr I Adams	Part-time	Technical Services Committee	ANC

## 2.2.1.2 POLITICAL DECISION-MAKING

The Council delegated most of its executive functions to the Executive Mayor and the Mayoral Committee. A total of 103 Council Resolutions were passed and implemented during the 2018/2019 financial year.

TABLE 42: NUMBER OF ITEMS DISCUSSED FROM 1 JULY 2018 – 30 JUNE 2019

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
20 July 2018 (Ald RM van Rooy: Inaugurated as the Executive Mayor)	08	Yes	01h05
31 July 2018	22	Yes	01h30
28 August 2018	24	Yes	01h35
25 September 2018	21	Yes	00h50
23 October 2018	14	Yes	00h25
30 October 2018	26	Yes	02h25
27 November 2018	26	Yes	01h30
13 December 2018	14	Yes	00h25
09 January 2019	12	Yes	00h19
22 January 2019)	32	Yes	00h55
26 February 2019	24	Yes	01h35
26 March 2019	30	Yes	02h05
30 April 2019	29	Yes	01h30
28 May 2019	22	Yes	01h00
21 June 2019	24	Yes	01h00
<b>Total</b>	<b>328</b>	<b>N/A</b>	<b>17h09</b>

## 2.2.1.3 RULES OF ORDER

The Municipal Council functions in terms of the Council's Rules of Order, which have the same status as a by-law. The Rules of Order were promulgated in the Provincial Gazette on 7 June 2013. Councillors are bound by the Code of Conduct for Municipal Councillors which is contained in Schedule 1 of the Municipal Systems Act.

## 2.2.1.4 HONORARY TITLE OF ALDERMAN/ALDERLADY

The criteria to qualify for the title of Alderman/Alderlady include:

- Alderman-/ladyship is awarded to a councillor who has served 10 years as a councillor, irrespective whether it was interrupted and/or if it was for more than one municipality;

- A councillor who has been elected as Speaker or Mayor for a second term, receive Alderman-/ladyship when the term of office commences;
- Alderman-/ladyship is awarded to any councillor that earns a minimum of twenty (20) points for the following:
  - one (1) point for every year service as a councillor; plus
  - one (1) additional point for every year's service as a councillor on the District Municipality representing the municipality or chairperson of a portfolio committee; and
  - two (2) additional points for every year's service as Mayor or Member of the Executive Committee or Speaker or Deputy Mayor.

#### 2.2.1.5 CODE OF CONDUCT FOR COUNCILLORS

The Code of Conduct (Schedule 1 of the Municipal Systems Act) prescribes how municipal councillors must behave, and states the penalties for improper behaviour. In general, the Code of Conduct requires that councillors must perform their duties:

- in good faith (or with a desire to act fairly towards others);
- honestly;
- transparently; and
- in the best interests of the municipality (which includes the interests of the community).

In addition, the Code of Conduct requires that:

Councillors must declare to the Municipal Manager, in writing, all their financial interests, within 60 days of their election (The Municipal Systems Act, Schedule 1: Code of Conduct, item 7(4)). The public can demand to have access to the interests declared by one or more councillors;

A councillor must disclose (make public) any interest he/she has in any matter that is being considered by the council or its committees. This can be a direct or indirect interest, personally or through a spouse, partner or associate. Unless the Council decides that the interest disclosed is trivial or irrelevant, that councillor must withdraw and not participate in council or committee meetings on that matter. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 5(1));

A councillor must disclose any special benefit that he or she, or his or her family member or spouse or partner will get from a contract that has been or will be signed with the municipality (The Municipal Systems Act, Schedule 1: Code of Conduct, item 5(1)). This must be done at the first council meeting where this is possible;

Full-time councillors are not allowed to have any other paid work without the permission of the council. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 8).

The Code of Conduct also states the following:

- Councillors may not use their positions or confidential information for personal profit nor for the improper benefit of any other person (Municipal Systems Act, Schedule 1: Code of Conduct, item 6(1);
- Councillors may not request or accept any rewards, gifts or favours for:
  - voting or not voting on a matter before the council or any committee;
  - persuading the Council to make a decision one way or the other on any matter;
  - making representations to the Council; and
  - disclosing confidential information (The Municipal Systems Act, Schedule 1: Code of Conduct, item 9);
- Councillors may not disclose confidential information of the Council to people who are not allowed to know it (The Municipal Systems Act, Schedule 1: Code of Conduct, item 10); and
- Councillors are not allowed to interfere with the municipal administration. It is a criminal offence for a councillor to attempt to influence an employee or agent of the municipality not to enforce a law or a council decision. This offence can be punished by a fine or a jail sentence of up to two years. (The Municipal Systems Act, Schedule 1: Code of Conduct, item 11, (a), (b), (c), (d).

The person primarily responsible for enforcing the Code of Conduct is the Speaker of the municipal council. He or she must investigate if there is a reasonable suspicion that the Code of Conduct has not been complied with. After giving the councillor an opportunity to respond, the Speaker must prepare a report which must be given to the council and made public. The Council is then able to investigate whether a breach of the Code of Conduct has taken place. This investigation must be done by a committee of councillors. If the Council decides that a councillor has breached the code of conduct, the Council can:

- issue a formal warning to the councillor;
- reprimand the councillor;
- fine the councillor; and
- request the MEC for Local Government (Provincial Minister) to suspend the councillor for a period or remove the councillor from office.

If the Council's own investigation is not enough or produces a flawed result, the MEC can intervene and conduct his/her own investigation. The MEC has power to suspend or remove the councillor from office. The Code of Conduct for Councillors is available on the Municipal website.

#### 2.2.1.6 THE SPEAKER

The Municipal Council is chaired by the Speaker. Section 37 of the Municipal Structures Act requires the Speaker of the Municipal Council to:

- preside at meetings of the Council;
- perform the duties and exercise the powers delegated to the Speaker in terms of section 59 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000);

- ensure that the Council meets at least quarterly;
- maintain order during meetings;
- ensure compliance of with the Code of Conduct set out in Schedule 1 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000); and
- ensure that council meetings are conducted in accordance with the rules and orders of the Council.

#### 2.2.1.7 THE EXECUTIVE MAYOR AND MAYORAL COMMITTEE

The Executive Mayor is the centre of the governance system and is responsible for providing political and strategic leadership. Executive power is vested in the Executive Mayor, in accordance with a framework of powers assigned by legislation and powers delegated by the Municipal Council in terms of the Municipal Systems Act, 2000 (Act 32 of 2000). In order to maximise operational efficiency, the Municipal Council has delegated all powers except those which it may not delegate by law to the Executive Mayor. The Executive Mayor is assisted by the Mayoral Committee. The Mayoral Committee is chaired by the Executive Mayor and comprises the Deputy Mayor and two full time Councillors.

TABLE 43: ROLES AND RESPONSIBILITIES: MAYOR, DEPUTY MAYOR &amp; MAYORAL COMMITTEE

OFFICE BEARER	FUNCTION
EXECUTIVE MAYOR	<p>a) An executive mayor is entitled to receive reports from committees of the municipal council and to forward these reports together with a recommendation to the council when the matter cannot be disposed of by the executive mayor in terms of the executive mayor's delegated powers.</p> <p>(b) The executive mayor must—</p> <ol style="list-style-type: none"> <li>(1) identify the needs of the municipality;</li> <li>(2) review and evaluate those needs in order of priority;</li> <li>(3) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and</li> <li>(4) recommend or determine the best way, including partnership and other approaches to deliver those strategies, programmes and services to the maximum benefit of the community.</li> </ol> <p>(c) The executive mayor in performing the duties of office, must—</p> <ol style="list-style-type: none"> <li>(1) identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to in subsection (b)(3) can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;</li> <li>(2) evaluate progress against the key performance indicators;</li> <li>(3) review the performance of the municipality in order to improve— <ol style="list-style-type: none"> <li>(i) the economy, efficiency and effectiveness of the municipality;</li> <li>(ii) the efficiency of credit control and revenue and debt collection services; and</li> <li>(iii) the implementation of the municipality's by-laws;</li> </ol> </li> <li>(4) monitor the management of the municipality's administration in accordance with the directions of the municipal council;</li> <li>(5) oversee the provision of services to communities in the municipality in a sustainable manner;</li> <li>(6) perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of Section 59 of the Systems Act;</li> <li>(7) annually report on the involvement of communities and community organisations in the affairs of the municipality; and</li> <li>(8) Ensure that regard is given to public views and report on the effect of consultation on the decisions of the council.</li> </ol> <p>(d) An executive mayor must perform a ceremonial role as the municipal council may determine.</p> <p>(e) An executive mayor must report to the municipal council on all decisions taken by the executive mayor.</p>
DEPUTY EXECUTIVE MAYOR	(f) The deputy executive mayor of a municipality exercises the powers and performs the duties of the executive mayor if the executive mayor is absent or not available or if the office of the executive mayor is vacant.
MAYORAL COMMITTEE MEMBERS	The Executive Mayor's delegated powers and functions must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee. The Section 79 Committees have no decision making powers and may only make recommendations to the Mayoral Committee.

*Local Government Municipal Structures Act, 1998 (Act 117 of 1998)*

The Mayoral Committee meets at least twice a month. All reports required in terms of legislation were submitted timeously. A total of 22 Mayoral Committee meetings were held for 2018/19 (Ordinary and

Special Meetings). The following tables indicate the Mayoral Committee Meetings that were held and individual attendance.

TABLE 44: MAYORAL COMMITTEE MEETINGS

DATES	ATTENDANCE	APOLOGIES	ABSENT
31 July 2018	4	0	0
16 August 2018	3	1	0
28 August 2018	4	0	0
13 September 2018	4	0	0
25 September 2018	4	0	0
11 October 2018	3	1	0
23 October 2018	4	0	0
30 October 2018	4	0	0
15 November 2018	4	0	0
27 November 2018	3	1	0
13 December 2018	4	0	0
19 December 2018	3	1	0
22 January 2019	3	1	0
14 February 2019	4	0	0
26 February 2019	4	0	0
14 March 2019	4	1	0
26 March 2019	4	2	0
11 April 2019	4	1	0
30 April 2019	4	0	0
16 May 2019	4	0	0
28 May 2019	4	0	0
13 June 2018	4	0	0

TABLE 45: MAYORAL COMMITTEE MEETING ATTENDANCE

MEMBERS	SCHEDULED MEETINGS	MEETING ATTENDANCE	APOLOGIES TENDERED	ABSENT
Ald RM van Rooy (Inaugurated as Executive Mayor on 20/07/18)	19	19	0	0
Ald SM Crafford (Mrs.)	19	16	3	0
Cllr MA Wessels	19	14	5	0
Cllr AJ du Plooy	19	18	1	0

A total of 620 items were discussed at the Mayoral Committee during the 2018/19 financial year. The following table indicates the number of items discussed per meeting.

TABLE 46: ITEMS TABLED 1 JULY 2018 – 30 JUNE 2019

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
31 July 2018	21	Yes	00h50
16 August 2018	24	Yes	00h40
28 August 2018	20	Yes	01h45
13 September 2018	30	Yes	01h00
25 September 2018	22	Yes	00h40
11 October 2018	33	Yes	01h15
23 October 2018	16	Yes	00h35
30 October 2018	26	Yes	01h05
15 November 2018	46	Yes	02h05
27 November 2018	26	Yes	02h20
13 December 2018	33	Yes	02h30
19 December 2018	19	Yes	01h15
22 January 2019	27	Yes	00h35
14 February 2019	37	Yes	02h55
26 February 2019	24	Yes	01h10
14 March 2019	28	Yes	02h15
26 March 2019	25	Yes	00h40
11 April 2019	26	Yes	00h55
30 April 2019	30	Yes	01h25
16 May 2019	18	Yes	00h30
28 May 2019	32	Yes	01h15
13 June 2019	57	Yes	03h05
<b>TOTAL</b>	<b>620</b>	<b>N/A</b>	<b>1 905 min</b>

#### 2.2.1.8 PORTFOLIO COMMITTEES

The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) (MSA) prescribes in Section 60 that in all Municipal Councils with more than 9 members, the executive mayor must appoint a mayoral committee from amongst the councillors (Section 60(1)(a)), the mayoral committee must consist of the deputy executive mayor and as many councillors as may be necessary for effective and efficient government, provided that no more than 20 % of the councillors are appointed (Section 60(2)). In Bergrivier Municipality

the 20 % is equal to 2, 6 councillors. For this legal reason we have our deputy executive mayor and two (2) additional full-time councillors on the mayoral committee.

In terms of Section 80(2) of the MSA, the Section 80 committees established to assist the executive mayor may not in number exceed the number of members of the mayoral committee. It is therefore clear that Bergrivier Municipality currently have the maximum amount of Section 80 committees allowed by law, namely three (3).

In terms of the new approved macro structure, the Municipality reverted back to four directorates and therefore another committee had to be established for the Directorate Corporate Services' functions.

Section 79 of the MSA allows a Municipal Council to establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers (Section 79(1)(a)). There are no legal restrictions on the number of committees established in terms of this section. These committees will normally report directly to Council, but the Executive Mayor is entitled, in terms of Section 56(1), to determine that all committees of Council (Section 79 and 80) submit any reports to the Executive Mayor for consideration and decision-making in terms of delegated authority, or for consideration and recommendation (as the case may be) to Council. Council approved the establishment of a committee in terms of Section 79 of the Municipal Structures Act, 1998 (Act 117 of 1998) to serve as a standing committee for the Corporate Services' functions as from 20 July 2018 and is chaired by a councillor appointed by Council. Similarly Council approved a Section 79 Committee for Local Economic Development.

The five Portfolio Committees appointed in terms of the Municipal Structures Act, (117 of 1998 Section, 79 and 80) are the following:

- Community Services Committee (Section 80): Chaired by Councillor AJ du Plooy;
- Financial Services Committee (Section 80): Chaired by the Deputy Executive Mayor (Alderlady SM Crafford);
- Corporate Services Committee (Section 79): Chaired by Councillor J Daniels;
- Technical Services Committee (Section 80): Chaired by Councillor MA Wessels; and
- Economic Committee (Section 79): Chaired by Deputy Executive Mayor (Alderlady SM Crafford).

Portfolio Committees have no delegate powers and may only make recommendations to the Mayoral Committee.

TABLE 47: PORTFOLIO COMMITTEE MEETINGS

COMMITTEE	COMPOSITION	MEETING DATES
<p><b>FINANCIAL SERVICES COMMITTEE</b> The Financial Services Committee discusses matters concerning the finances of the Municipality before submission to the Mayoral Committee for approval.</p>	<p>Ald SM Crafford (DA) (Chairperson) (Ms.) Cllr MA Wessels (DA) Cllr J Daniels (DA) Ald RM van Rooy (DA) (ex-officio) Ald SIJ Smit (ANC) (MS) Cllr JC Botha (DA) Cllr AA van Wyk (DA)</p>	<p>July 2018 (none) 08 August 2018 05 September 2018 03 October 2018 07 November 2018 20 November 2018 05 December 2018 January 2019 (none) 06 February 2019 06 March 2019 03 April 2019 May 2019 (none) 05 June 2019</p>
<p><b>CORPORATE SERVICES COMMITTEE</b> The Corporate Services Committee discusses matters arising from the Office of the Municipal Manager and the Corporate Services Directorate before submission to the Mayoral Committee for approval.</p>	<p>Cllr J Daniels (DA) (Chairperson) Ald SM Crafford (DA) Cllr JC Botha (DA) Cllr MA Wessels (DA) Cllr SS Lesch (ANC) (Ms)</p>	<p>July 2018 (none) 08 August 2018 05 September 2018; 19 September 2018 03 October 2018 07 November 2018 05 December 2018 January 2019 (none) 06 February 2019 06 March 2019 03 April 2019 May 2019 (none) 05 June 2019</p>
<p><b>TECHNICAL SERVICES COMMITTEE</b> The Technical Services Committee discusses matters arising from the Technical Services Directorate before submission to the Mayoral Committee for approval.</p>	<p>Cllr MA Wessels (DA) (Chairperson) Cllr A Small (DA) (Ms) Cllr AJ du Plooy (DA) Cllr AA van Wyk (DA) Cllr I. Adams (ANC)</p>	<p>July 2018 (none) 07 August 2018 04 September 2018 02 October 2018 06 November 2018 04 December 2018 January 2019 (none) 05 February 2019 05 March 2019 02 April 2019; May 2019 (none) 04 June 2019</p>
<p><b>COMMUNITY SERVICES COMMITTEE</b> The Community Services Committee discusses matters arising from the Community Services Directorate before submission to the Mayoral Committee for approval.</p>	<p>Cllr AJ du Plooy (DA) (Chairperson) Cllr MA Wessels (DA) Cllr AA van Wyk (DA) Cllr A Small (DA) (Ms) Cllr D de Bruin (ANC)</p>	<p>July 2018 (none) 07 August 2018 September 2018 (none) 02 October 2018 06 November 2018 04 December 2018 January 2019 (none) 05 February 2019 05 March 2019 02 April 2019; May 2019 (none)</p>

COMMITTEE	COMPOSITION	MEETING DATES
		04 June 2019
ECONOMIC DEVELOPMENT COMMITTEE The Economic Development Committee discusses matters arising from the Office of the Municipal Manager and Strategic Services Division relating to Economic Development before submission to the Mayoral Committee for approval.	Ald SM Crafford (DA) (Chairperson) Ald A de Vries (DA) Cllr AJ du Plooy (DA) (Chairperson) Cllr JC Botha (DA) Ald SIJ Smit (ANC) (Ms) Cllr SS Lesch (ANC) (Ms)	15 November 2018 07 February 2019

TABLE 48: CORPORATE SERVICES COMMITTEE NUMBER OF ITEMS DISCUSSED FROM 1 JULY 2018 – 30 JUNE 2019

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
July 2018 (none)	No meeting	-	-
08 August 2018	22	Yes	02h25
05 September 2018	27	Yes	02h20
19 September 2018	10	Yes	01h00
03 October 2018	26	Yes	02h00
07 November 2018	24	Yes	02h00
05 December 2018	25	Yes	02h00
January 2019 (none)	No meeting	-	-
06 February 2019	23	Yes	02h30
06 March 2019	21	Yes	03h30
03 April 2019	22	Yes	02h35
May 2019 (none)	No meeting	-	-
05 June 2019	34	Yes	02h20

TABLE 49: FINANCIAL SERVICES COMMITTEE NUMBER OF ITEMS DISCUSSED FROM 1 JULY 2018 – 30 JUNE 2019

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
July 2018 (none)	No meeting	-	-
08 August 2018	16	Yes	02h45
05 September 2018	18	Yes	01h40
03 October 2018	18	Yes	01h10
07 November 2018	21	Yes	02h15
20 November 2018	12	Yes	01h40

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
05 December 2018	23	Yes	02h00
January 2019 (none)	No meeting	-	-
06 February 2019	19	Yes	02h25
06 March 2019	16	Yes	02h25
03 April 2019	28	Yes	03h30
May 2019 (none)	No meeting	-	-
05 June 2019	16	Yes	02h05

TABLE 50: TECHNICAL SERVICES COMMITTEE NUMBER OF ITEMS DISCUSSED FROM 1 JULY  
2018 – 30 JUNE 2019

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
July 2018 (none)	No meeting	-	-
07 August 2018	26	Yes	01h20
04 September 2018	28	Yes	00h45
02 October 2018	26	Yes	02h00
06 November 2018	17	Yes	02h20
04 December 2018	30	Yes	01h15
January 2019 (none)	No meeting	-	-
05 February 2019	32	Yes	02h40
05 March 2019	5	Yes	02h40
02 April 2019	23	Yes	01h30
May 2019 (none)	No meeting	-	-
04 June 2019	24	Yes	01h20

TABLE 51: COMMUNITY SERVICES COMMITTEE NUMBER OF ITEMS DISCUSSED FROM 1 JULY  
2018 – 30 JUNE 2019

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
July 2018 (none)	No meeting	-	-
07 August 2018	17	Yes	01h55
September 2018	No meeting	-	-
02 October 2018	19	Yes	01h45

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
06 November 2018	18	Yes	01h50
04 December 2018	21	Yes	02h05
January 2019 (none)	No meeting	-	-
05 February 2019	22	Yes	02h50
05 March 2019	20	Yes	02h35
02 April 2019	18	Yes	01h30
May 2019 (none)	No meeting	-	-
04 June 2019	24	Yes	02h40

TABLE 52: ECONOMIC DEVELOPMENT COMMITTEE: ESTABLISHED ON 30 OCTOBER 2018

DATE OF MEETING	NUMBER OF ITEMS DISCUSSED	OPEN TO PUBLIC	DURATION
15 November 2018	10	Yes	01h25
04 December 2018	No meeting	-	-
January 2019 (none)	No meeting	-	-
07 February 2019	11	Yes	02h15
05 March 2019	No meeting	-	-
02 April 2019	No meeting	-	-
May 2019 (none)	No meeting	-	-
04 June 2019	No meeting	-	-

### 2.2.1.9 OTHER COMMITTEES ESTABLISHED BY THE COUNCIL FOR SPECIFIC PURPOSES

#### 2.2.1.9.1 PERFORMANCE AND AUDIT COMMITTEE

The Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) requires municipalities to have an audit committee. Sections 166 (1) and (2) set out the functions of an audit committee:

1) "An audit committee is an independent advisory body which must –

*Advise the council, political office bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity on matters relating to –*

*Internal financial controls and internal audits;*

*Risk management;*

*Accounting policies;*

*The adequacy, reliability and accuracy of financial reporting and information;*

*Performance management;*

*Effective governance;*

*Compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;*

*Performance evaluation; and*

*Any other issues referred to it by the municipality or municipal entity*

*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;*

*c) Respond to council on any issues raised by the Auditor-General in the audit report;*

*d) Carry out investigations into the financial affairs of the municipality as the council may request; and*

*e) Perform such other functions as may be prescribed.”*

Section 40 of the Municipal Systems Act requires municipalities to establish mechanisms to monitor and review their performance. The Local Government Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001) require municipalities to establish performance audit committees for this purpose. The functions of the performance audit committee are as follows:

*“4(a) a performance audit committee must:*

*review the quarterly reports submitted to it by the internal auditors, dealing with quarterly reports, which the internal auditors are required to submit to the municipal manager and the performance audit committee;*

*review the municipality’s performance management system and make recommendations in this regard to the council of that municipality; and*

*at least twice during a financial year submit an audit report to the municipal council concerned.*

*(b) In reviewing the municipality’s performance management system in terms of (a) (ii), the performance audit committee must focus on economy, efficiency and effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.*

*(c) A performance audit committee may –*

*communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;*

Access any municipal records containing information that is needed to perform its duties or exercise its powers;

request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and

investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.”

Bergvriervier Municipality has a fully functional combined Performance and Audit Committee in terms of Section 166(6) (a) of the MFMA. The Performance and Audit Committee meets at least 4 times a year.

TABLE 53: PERFORMANCE AND AUDIT COMMITTEE COMPOSITION AND ATTENDANCE

MEMBERS	CAPACITY	27 AUGUST 2018	06 DECEMBER 2018	20 MARCH 2019	21 JUNE 2019
Mrs. K Montgomery	Chairperson	Yes	Apology	Yes	Yes
Ms. R Gani	Member	Yes	Yes	Apology	Yes
Ms. S Smith	Member	Yes	Yes	Apology	Yes
Mr. B van Staaden	Member	Yes	Yes	Yes	Yes
Mr. C. de Jager	Member	Yes	Yes	Yes	Yes

The recommendations of the Performance and Audit Committee and the 2018/19 Audits are contained in ANNEXURE 7. Report by the Chairperson of the Performance and Audit Committee is contained in ANNEXURE 7.

#### 2.2.1.9.2 OVERSIGHT COMMITTEE

Section 127(2) of the Municipal Finance Management Act requires the Executive Mayor to table the Municipality’s Annual Report by the end of January each year. Section 129 of the same Act requires the Council to adopt an Oversight Report within two months of the Annual Report having been tabled which means that the Oversight Report must be tabled by 31 March of each year.

Section 46 of the Municipal Systems Act requires the Municipality to prepare a Performance Report for each financial year which reflects the performance of the Municipality and each of its external service providers during that financial year, as measured against predetermined targets as well as the performance of the previous year. The Annual Performance Report must form part of the Municipality’s Annual Report in terms of Section 127(1) of the Municipal Finance Management Act (MFMA).

MFMA Circular 32 of 2006 prescribes the oversight process and the establishment of the Oversight Committee. The Oversight Committee must be appointed in terms of Sections 33 and 79 of the Municipal Structures Act 1998, (Act 117 of 1998). This means that the Council must determine the functions of the Committee and appoint the Chairperson. The Council may also delegate powers and duties to the

Committee, authorise the Committee to co-opt advisory members, and remove a member at any time. The functions of the Oversight Committee are as follows:

- To undertake a detailed analysis and review of the Municipality's Annual Reports;
- To consider inputs from the Council, Portfolio Committees and Public on the Municipality's Annual Reports;
- To consider inputs from the Municipality's Audit Committee and Performance Committees as well as the Auditor General on the Municipality's Annual Reports, and
- To draft an oversight report on the Municipality's Annual Report.

TABLE 54: OVERSIGHT COMMITTEE COMPOSITION AND ATTENDANCE

COMMITTEE MEMBER	DATE OF MEETING	IN ATTENDANCE
Mr. Chris de Jager (on behalf of Audit Committee)	4 February 2019	Yes
Cllr A Small (Ms)	4 February 2019	Yes
Cllr SS Lesch (Ms)	4 February 2019	Yes
Cllr J Botha	4 February 2019	Yes
Ald SIJ Smit (Chairperson of Committee) (Ms)	4 February 2019	Yes
Ald Johan Raats	4 February 2019	Yes
Mr. Chris de Jager (on behalf of Audit Committee)	7 March 2019	Yes
Cllr A Small	7 March 2019	Yes
Cllr SS Lesch	7 March 2019	Yes
Cllr J Botha	7 March 2019	Yes
Ald SIJ Smit (Chairperson of Committee) (Ms)	7 March 2019	Yes
Alderman Johan Raats	7 March 2019	Yes
Mr. Chris de Jager (on behalf of Audit Committee)	8 March 2019	Yes
Cllr A Small (Ms)	8 March 2019	Yes
Cllr SS Lesch 9Ms)	8 March 2019	Yes
Cllr J Botha	8 March 2019	Yes
Ald SIJ Smit (Chairperson of Committee) (Ms)	8 March 2019	Yes
Alderman Johan Raats	8 March 2019	Yes

The 2017/18 Oversight Report was submitted to the Municipal Council on 26 March 2019. An extract from this report containing the recommendations of the Oversight Committee and progress made with the implementation thereof is contained in ANNEXURE 22.

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

The Municipal Public Accounts Committee (MPAC) is established in terms of the provisions of the Local Government Municipal Structures Act, 1998, (Act 117 of 1998) and the Municipal Finance Management Act 2003, (Act 56 of 2003) to serve as an Oversight Committee to exercise oversight over the executive authority of Council. The MPAC assists Council to hold the executive councillors and municipal entities accountable, and to ensure the efficient and effective use of municipal resources.

Bergrivier Municipality has a fully functional MPAC and the members of the MPAC were as follows:

Meeting held on 09 October 2018:

- Ald SR Claassen (Chairperson)
- Ald J Raats
- Ms. KE Montgomery (Ex Officio as Chairperson of the Audit- and Performance Committee)
- Cllr JC Botha
- Cllr A Small (Ms)
- Ald J Swart

Meeting held on 09 April 2019

- Ald SIJ Smit (Chairperson) (Ms)
- Ald J Raats
- Ms. KE Montgomery (Ex Officio as Chairperson of the Audit- and Performance Committee)
- Cllr JC Botha
- Cllr A Small (Ms)
- Cllr S Lesch (Ms)

Terms of reference for the MPAC

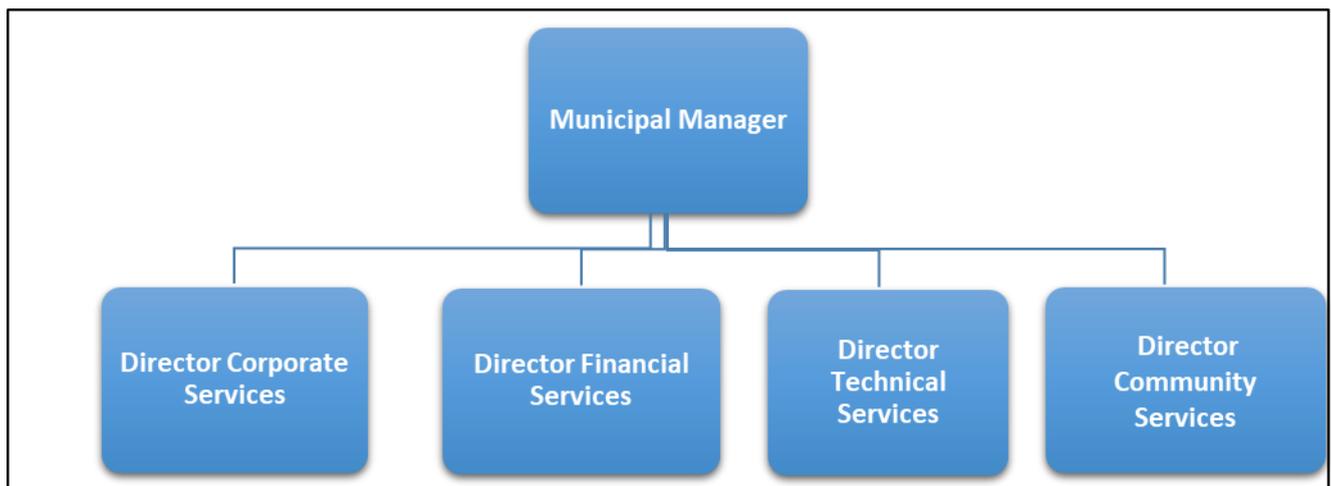
1. The MPAC must interrogate the following financial aspects addressed in the Municipal Finance Management Act (MFMA):
  - 1.1 Unforeseen and unavoidable expenditure (Section 29);
  - 1.2 Unauthorized, irregular or fruitless and wasteful expenditure (Section 32);
  - 1.3 The quarterly report of the mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP (Section 52(d));
  - 1.4 Monthly budget statements (Section 71);
  - 1.5 Mid-year budget and performance assessment (Section 72);
  - 1.6 Disclosures concerning councillors, directors and officials (Section 124);

- 1.7 Submission and auditing of annual financial statements (Section 126);
  - 1.8 Submission of the annual report (Section 127);
  - 1.9 Issues raised by the Auditor-General in audit reports (Section 131);
  - 1.10 Audit Committee (Section 166); and
  - 1.11 Disciplinary action instituted in terms of the MFMA.
2. The MPAC must interrogate the following aspects addressed in the Municipal Systems Act.
- 2.1 Review of the IDP post elections (Section 25);
  - 2.2 Annual review of the IDP (Section 34);
  - 2.3 Performance management plan (Section 39);
  - 2.4 Monitoring that the annual budget is informed by the IDP (Regulation 6 of the Local Government: Municipal Planning and Performance Management Regulations); and
  - 2.5 Monitoring that all declaration of interest forms are completed by councillors on an annual basis (Section 54 read with Item 7 of Schedule 1).

#### 2.2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Head of the Administration and Accounting Officer of the Municipality, and is primarily responsible for service delivery. The Municipal Council approved a new macro structure on 30 May 2017, which was implemented during the 2017/18 financial year. The new macro structure makes provision for the undermentioned organizational units:

FIGURE 18: APPROVED MACRO STRUCTURE (30 May 2017)



- Office of the Municipal Manager
- Directorate Corporate Services
- Directorate Financial Services
- Directorate Technical Services
- Directorate Community Services (new directorate since 1 September 2017))

The following table indicates the roles and responsibilities of the top two tiers of the administration in accordance with the macro structure. Details of the third tier are contained in **ANNEXURE 3**.

TABLE 55: ROLES AND RESPONSIBILITIES OF MUNICIPAL MANAGER AND DIRECTORS

TIER	POSITION AND INCUMBENT	ROLES AND RESPONSIBILITIES
1	<b>Municipal Manager</b> Adv. H Linde	<p>The functions and responsibility of the Municipal Manager are contained in Section 55 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000):</p> <p>“(1) As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for:</p> <ul style="list-style-type: none"> <li>(a) the formation and development of an economical, effective, efficient and accountable administration</li> <li>(i) equipped to carry out the task of implementing the municipality’s integrated development plan in accordance with Chapter 5;</li> <li>(ii) operating in accordance with the municipality’s performance management system in accordance with Chapter 6; and</li> <li>(iii) responsive to the needs of the local community to participate in the affairs of the municipality.</li> <li>(b) the management of the municipality’s administration in accordance with this Act and other legislation applicable to the municipality;</li> <li>(c) the implementation of the municipality’s integrated development plan, and the monitoring of progress with implementation of the plan;</li> <li>(d) the management of the provision of services to the local community in a sustainable and equitable manner;</li> <li>(e) the appointment of staff other than those referred to in Section 56, subject to the Employment Equity Act, 1998 (Act 55 of 1998);</li> <li>(f) the management, effective utilisation and training of staff;</li> <li>(g) the maintenance of discipline of staff;</li> <li>(h) the promotion of sound labour relations and compliance by the municipality with applicable labour legislation;</li> <li>(i) advising the political structures and political office bearers of the municipality;</li> <li>(j) managing communications between the municipality’s administration and its political structures and political office bearers;</li> <li>(k) carrying out the decisions of the political structures and political office bearers of the municipality;</li> <li>(l) the administration and implementation of the municipality’s by-laws and other legislation;</li> <li>(m) the exercise of any powers and the performance of any duties delegated by the municipal council, or sub-delegated by other delegating authorities of the municipality, to the municipal manager in terms of Section 59;</li> <li>(n) facilitating participation by the local community in the affairs of the municipality;</li> <li>(o) developing and maintaining a system whereby community satisfaction with municipal services is assessed;</li> <li>(p) the implementation of national and provincial legislation applicable to the municipality; and</li> <li>(q) the performance of any other function that may be assigned by the municipal council.</li> </ul> <p>(2) As accounting officer of the municipality the municipal manager is responsible and accountable for—</p> <ul style="list-style-type: none"> <li>(a) all income and expenditure of the municipality</li> <li>(b) all assets and the discharge of all liabilities of the municipality; and</li> <li>(c) proper and diligent compliance with applicable municipal finance management legislation</li> </ul> <p>➤ <b>The Office of the Municipal Manager is also responsible for the following:</b></p> <ol style="list-style-type: none"> <li>1. Manage the provisioning of strategic management support services to the Municipal Manager.</li> <li>2. Provide and manage an independent appraisal of the adequacy and effectiveness of financial controls and the rendering of risk and anti-fraud/corruption services within the municipality.</li> <li>3. Manage and facilitate intergovernmental and international relations with various stakeholders.</li> <li>4. Manage the rendering of logistical support to executive management.</li> <li>5. Manage councillor support services.</li> <li>6. Manage the provisioning of a communications service to the municipality.</li> <li>7. Manage financial services in relation to a budget and treasury office (BTO) to ensure financial</li> </ol>

TIER	POSITION AND INCUMBENT	ROLES AND RESPONSIBILITIES
		<p>viability, overall compliance and mandatory reporting.</p> <p>8. Manage the provisioning of corporate administration management and town planning services on behalf of the institution to ensure efficient support of organisational responsibilities and processes.</p> <p>9. Manage the maximising of infrastructure development and maintenance to promote basic service delivery to all communities within the municipal area.</p> <p>10. Manage the rendering of integrated community services to enhance community development in general and promote the livelihood of the community at large.</p> <p>➤ <b>Strategic Services</b></p> <p>1. Manage the performance management framework and local economic/ social development initiatives.</p> <p>2. Facilitate the promotion of local economic development and poverty alleviation.</p> <p>3. Facilitate the promotion of public participation processes.</p> <p>4. Facilitate the establishment and functioning of ward committees.</p> <p>5. Administer and co-ordinate special programs in aid of the community:</p> <ul style="list-style-type: none"> <li>- Support to vulnerable groups (gender, elderly)</li> <li>- Support to HIV/Aids organisations</li> <li>- Youth development</li> <li>- Co-ordination and implementation of Executive Mayoral Projects</li> <li>- Administration of grant-in-aid funds to organisations in need</li> </ul> <p>6. Facilitate community development projects, community development initiatives and special projects.</p> <p>➤ <b>Internal Audit</b></p> <p>1. Develop and implement a risk-based audit plan and internal audit program for each financial year.</p> <p>2. Advising the accounting officer and report to the Audit Committee on the implementation of the internal audit plan</p> <p>3. Establish and maintain an enterprise risk management (ERM) and compliance system within the organisation.</p> <p>4. Ensure the organisation is conforming with, or eligible for, contractual obligations, government regulations, laws, or licenses and permits.</p>
2	<p><b>Director: Corporate Services</b> Mr. JWA Kotzee</p>	<p>The Corporate Services Directorate renders all administrative functions of the Municipality including:</p> <p>1. Manage the provisioning and administering of town planning and environmental management services.</p> <p>2. Manage the provisioning of client and administrative services.</p> <p>3. Manage the provisioning and administering of human resources management services to the municipality</p> <p>4. Manage the administering and application of departmental GIS processes.</p> <p>☐ Administration</p> <p>1. Manage the provisioning of secretariat and records management services.</p> <p>2. Provide client and administrative support services.</p> <p>3. Manage the provisioning of information communication and technology (ICT) services including geographical information system (GIS) applications within the municipality.</p> <p>☐ Human Resource Management</p> <p>1. Manage the rendering of human resources provisioning and employee administration services.</p> <p>2. Manage the provisioning of human resources training and skills development services.</p> <p>3. Manage the provisioning of labour relations and employee wellness services</p> <p>4. Manage the provisioning of occupational health and safety services in terms of the OHSA.</p> <p>☐ Planning and Development</p> <p>1. Manage the compilation and implementation of Spatial Planning and Land Use Management.</p> <p>2. Manage the compilation and implementation of Environmental Planning Management policies and procedures.</p> <p>3. Manage the rendering of land use management services and administrative support.</p> <p>4. Manage the lease and sale of municipal land.</p> <p>5. Oversee the facilitation of surveying and registration of municipal land</p>
3	<p><b>Director: Financial Services</b> Mr. G. Goliath</p>	<p>The Financial Services Directorate is responsible for all financial functions of the Municipality including:</p> <p>1. Manage the provisioning and administering of expenditure and supply chain management processes.</p> <p>2. Implement and maintain revenue and credit control policies and procedures to ensure sound</p>

TIER	POSITION AND INCUMBENT	ROLES AND RESPONSIBILITIES
		<p>revenue management practices and compliance.</p> <p>3. Manage and control the implementation of budget policies, systems and procedures and financial statements processes to ensure legislative compliance and sound financial management practices.</p> <p>▲ <b>Revenue Management</b></p> <p>1. Manage and administer the debtors of the municipality including banking, reconciliations and billing.</p> <p>2. Manage and control the application of the Municipality's credit control policies and procedures.</p> <p>3. Manage and facilitate property valuations and determining of rates.</p> <p>3. Manage and facilitate property valuations and determining of rates.</p> <p>▲ <b>Expenditure &amp; SCM</b></p> <p>1. Manage the recording, authorisation and proper execution of expenditure systems, procedures and transactions.</p> <p>2. Manage supply chain management and asset management processes and systems.</p> <p>▲ <b>Financial Management &amp; Reporting</b></p> <p>1. Manage the preparation and administering of budgets and financial statements.</p> <p>2. Manage financial compliance and reporting on financial management.</p> <p>3. Manage the execution of budget control and control of accounting procedures.</p>
4	<p><b>Director: Technical Services</b> Mr. H Kröhn</p>	<p>The Technical Services Directorate is responsible for all technical functions of the Municipality including:</p> <p>1. Manage the provisioning and administering of project management and building control services.</p> <p>2. Manage the provisioning and control of civil engineering and solid waste management services.</p> <p>3. Manage the provisioning and control of electrical engineering services.</p> <p>4. Manage the administering and application of technical related GIS processes.</p> <p>▲ <b>Civil</b></p> <p>1. Manage overall compliance i.r.t. waste management practices and prescripts</p> <p>2. Manage the provisioning and maintenance of civil engineering services in the Piketberg Area.</p> <p>3. Manage the provisioning and maintenance of civil engineering services in the Velddrif Area.</p> <p>4. Manage the provisioning and maintenance of civil engineering services in the Porterville Area.</p> <p>5. Manage and coordinate the maintenance of all vehicles and equipment in the Municipality.</p> <p>6. Manage the provisioning and administering of Bulk Services.</p> <p>7. Manage internal funded capital projects within the respective regions.</p> <p>▲ <b>Electricity</b></p> <p>1. Manage the provisioning and maintenance of electrical services in the Piketberg and Redelinghuys Areas.</p> <p>2. Manage the provisioning and maintenance of electrical services in the Velddrif and Aurora Areas.</p> <p>3. Manage the provisioning and maintenance of electrical services in the Porterville and Eendekuil Areas.</p> <p>▲ <b>Project Management &amp; Building Control</b></p> <p>1. Manage the provisioning of a project management unit.</p> <p>2. Provide building control services to ensure compliance and standards i.r.t. buildings and developments.</p> <p>3. Render graphic / information services for the unit.</p>

TIER	POSITION AND INCUMBENT	ROLES AND RESPONSIBILITIES
5	<p><b>Director: Community Services</b> Mr. DA Josephus</p>	<p>The Community Services Directorate is responsible for all community functions of the Municipality including:</p> <ol style="list-style-type: none"> <li>1. Manage the provisioning and administering of community protection services within the respective areas of the municipality.</li> <li>2. Manage the provisioning and administering of community facilities.</li> <li>3. Manage housing administration.</li> </ol> <p>▲ <b>Protection Services</b></p> <ol style="list-style-type: none"> <li>1. Manage the provisioning of traffic and law enforcement services.</li> <li>2. Manage the provisioning and administering of disaster management, firefighting and fire prevention services</li> </ol> <p>▲ <b>Community Facilities &amp; Resorts</b></p> <ol style="list-style-type: none"> <li>1. Manage and co-ordinate libraries and information services including liaising with Museums, Tourism and other stakeholders.</li> <li>2. Manage the maintenance of parks, cemeteries, sport grounds, swimming pools and other facilities.</li> <li>3. Provide housing administration support services to address the housing needs in the area.</li> </ol> <p>▲ <b>Housing Administration</b></p> <ol style="list-style-type: none"> <li>1. Manage the administration processes of housing applications and allocations to ensure proper service delivery to the community.</li> <li>2. Initiate housing projects and the maintenance of housing rental stock.</li> <li>3. Research, develop, review, facilitate and implement housing policies, municipal accreditation and development processes.</li> </ol> <p>▲ <b>Library Services</b></p> <ol style="list-style-type: none"> <li>1. Manage and co-ordinate libraries and information services including with museums, tourism and other stakeholders</li> </ol>

## 2.3 INTERGOVERNMENTAL RELATIONS

Section 3 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to exercise their executive and legislative authority within the constitutional system of co-operative government envisaged in Section 41 of the Constitution.

The Municipality participates in International, National, Provincial and District Intergovernmental Forums. The Municipality strives to participate in as many of the available intergovernmental forums as possible, but our challenge is that forums often meet on the same dates and the personnel structure does not allow for dedicated personnel to attend all forum meetings.

### 2.3.1 INTERNATIONAL INTERGOVERNMENTAL RELATIONS

Bergrivier Municipality is in a “Stedeband” (partnership cooperation agreement) with the Municipality of



Heist-op-den-Berg in Belgium, Europe.

*Photographer unknown: Photo provided*

The purpose of such an arrangement is for two Local Government structures in different countries, but with shared interests, to share expertise for the joint improvement of the public, the administration and the political structures in both areas. The main aim is the sharing of experience and joint project implementation, where possible. The relationship has developed well since its initial stages during December 2014 and a delegation from Heist-op-den-Berg visited Bergrivier Municipality during October 2015, October 2017 and April 2018 with return visits by Bergrivier Municipality during May 2016 and June 2017. The year 2018/19 was characterized by the first visit of the youth of 4 schools in Bergrivier Municipal Area to Belgium. See overview and photo collage in Chapter 3.

The detail of the written agreement was discussed and signed by both parties and projects relating to waste management and youth development are being implemented jointly.

### 2.3.2 NATIONAL INTERGOVERNMENTAL FORUMS

The Municipality participates in the following National Intergovernmental Forums:

TABLE 56: PARTICIPATION ON NATIONAL INTERGOVERNMENTAL FORUMS

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	National Mayors Forum
Municipal Managers Office	National Municipal Managers Forum International Institute of Municipal Clerks (IIMC) Institute of Municipal Administrators of South Africa (IMASA) Institute for Local Government Managers (ILGM)
Technical Services Directorate	Department of Water Affairs Bi monthly Meetings
Corporate Services Directorate	Institute of Municipal Personnel Practitioners of South Africa (IMPSA)
Community Services	Institute of Traffic Licensing and Metro Police Officers of Southern Africa (ITLMPO-SA)
Financial Services Directorate	Institute of Municipal Finance Officers (IMFO)

### 2.3.3 PROVINCIAL INTERGOVERNMENTAL FORUMS

The Municipality participates in the following Provincial Intergovernmental Forums:

TABLE 57: PARTICIPATION ON PROVINCIAL INTERGOVERNMENTAL FORUMS

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	Minmay (Ministers / Mayors) Premier's Co-ordinating Forum (PCF) Speakers Forum SALGA Working Groups: Intergovernmental and International Relations

DIRECTORATE	FORUMS
	Human Resources Municipal Services and Infrastructure Economic Development and Planning Community development Municipal Finance
Municipal Managers Office	Minmay (Ministers and Mayors) and Minmay Technical Meeting (Head of Provincial Departments and Municipal Managers) Premier's Coordinating Forum (PCF) PS07 Climate Change Forum Provincial Treasury: Pre-determined Objectives (PDO) Forum Provincial Treasury: Risk Forum SALGA Working Groups: Intergovernmental and International Relations Economic Development and Planning Community development Western Cape IDP Managers Forum Western Cape Public Participation and Communication Forum Western Cape Local Economic Development Forum Western Cape Economic Development Partnership
Technical Services Directorate	Western Cape Provincial Government (MIG) Department of Environmental Affairs and Development Planning Waste Forum SALGA Working Groups: Provincial Resource Team Housing Meetings Municipal Services and Infrastructure
Corporate Services Directorate	Provincial Taxi Board SALGA Working Groups: Human Resource Management
Financial Services Directorate	Provincial Treasury: CFO Forum Provincial Treasury: SCM Forum SALGA Working Groups: Municipal Finance
Community Services Directorate	Provincial Disaster Management Forum Provincial Fire Chiefs Forum SALGA Working Committees Traffic Chiefs Forum NATIS Working Group Law Enforcement Technical Committee Informal settlement Support Program Housing Co-ordination Committee

#### 2.3.4 DISTRICT MUNICIPALITY INTERGOVERNMENTAL FORUMS

The Municipality participates in the following District Municipality Intergovernmental Forums:

TABLE 58: PARTICIPATION ON DISTRICT MUNICIPALITY INTERGOVERNMENTAL FORUMS

DIRECTORATE	FORUMS
Councillors, Executive Mayor and Mayoral Committee Members	WCDM IDP Co-ordinating Committee West Coast District Co-Ordinating Forum (DCF) West Coast Economic Development Partnership District Water Monitoring Forum District Evaluation Committee (DEC) West Coast Human Settlements Forum WC Water Monitoring Forum.

DIRECTORATE	FORUMS
Municipal Manager's Office	WCDM District Coordinating Forum (DCF) WCDM District Coordinating Forum Tech (DCF Tech) District Water Monitoring Board WCDM IDP/LED Forum WCDM IDP Co-ordinating Committee (IDPCC)
Technical Services Directorate	WCDM Water Quality Forum St Helena Bay Water Quality Forum
Corporate Services Directorate	District Air Quality Forum District Regional Tourism Organisation (RTO)
Financial Services Directorate	WCDM District Coordinating Forum Tech (DCF Tech)
Community Services Directorate	West Coast District Advisory Forum District Fire Working Group Disaster Management Co-ordinating Forum Stellenbosch-Saldanha Regional Library Forum West Coast District Road Traffic Co-ordinating Committee

## 2.4 PUBLIC PARTICIPATION AND ACCOUNTABILITY

The Constitution (Section 152) sets out the objects of local government, one of which is the provision of democratic and accountable government to local communities. This is reiterated by Section 15(b) of the Municipal Systems Act which requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff.

A second constitutional objective is the encouragement of local community and community organisation participation in the matters of local government. This is reiterated by Chapter 4 of the Municipal Systems Act which deals exclusively with community participation. A Municipality is required to develop a culture of community participation and develop a system of participatory municipal governance that compliments formal representative governance. The Municipality is also required to supply its community with information concerning municipal governance, management and development.

### 2.4.1 PUBLIC PARTICIPATION

#### 2.4.1.1 PUBLIC MEETINGS

A total of 13 public town based meetings were held during the year as indicated in the following table:

TABLE 59: PUBLIC MEETINGS – TOWN BASED

TYPE OF ENGAGEMENT	WARD/TOWN	DATE
Town Based Public Meetings	Ward 1	10 September 2018
	Ward 2	
	Ward 3	06 September 2018
	Ward 4	

TYPE OF ENGAGEMENT	WARD/TOWN	DATE
	Ward 5	05 September 2018
	Ward 6	03 September 2018
	Ward 7	
	Goedverwacht/Wittewater	10 April 2019
	Porterville	15 April 2019
	Piketberg	11 April 2019
	Dwarskersbos	8 April 2019
	Velddrif	8 April 2019
	Redelinghuys	9 April 2019
	Aurora	9 April 2019
	Eendekuil	10 April 2019

#### 2.4.1.2 WARD COMMITTEES

Ward committees are statutory committees established in terms of Part 4 of Chapter 4 of the Local Government Municipal Structures Act. Ward committees play a vital role in bridging the gap between the Community and the Municipality. Ward committees are not political, but are nevertheless elected for a period of five years that runs concurrently with the term of office of the Municipal Council.

The Municipal Council approved a reviewed Ward Committee Policy in February 2017 and ward committees for each ward were elected in accordance with this policy. The Municipal Council also approved an out of pocket expense fee structure for Ward Committees. Ward Committees meet on a bi-monthly basis and a total of 28 Ward Committee Meetings took place during the year.

TABLE 60: WARD COMMITTEE MEETINGS

TYPE OF ENGAGEMENT	WARD	DATES					
Ward Committee meetings	Ward 1	21 July 2018	1 September 2018	22 November 2018	21 February 2019	6 April 2019	13 June 2019
	Ward 2	21 July 2018	1 September 2018	22 November 2018	21 February 2019	6 April 2019	13 June 2019
	Ward 3	21 July 2018	1 September 2018	21 November 2018	20 February 2019	6 April 2019	12 June 2019
	Ward 4	21 July 2018	1 September 2018	21 November 2018	20 February 2018	6 April 2019	12 June 2019
	Ward 5	21 July 2018	1 September 2018	20 November 2018	19 February 2019	6 April 2019	11 June 2019
	Ward 6	21 July 2018	1 September 2018	19 November 2018	18 February 2019	6 April 2019	10 June 2019

TYPE OF ENGAGEMENT	WARD	DATES					
			Ward 7	21 July 2018	1 September 2018	19 November 2018	18 February 2019

The functionality of the ward committee system is on par and regular planned meetings took place during the 2018/19 financial year. All 7 wards have full representation of sectors on these wards.

Ward projects with an allocated budget have been identified per ward and forms part of the IDP. Regular report back sessions are held by the respective sectors and a written report is submitted to the chairperson of the ward committee for scrutiny.

Ward committees act as line of communication between the community and the Municipality to raise matters that impact on service delivery in their respective areas. This also improves relationships with the community and assists the Municipality to keep the general public informed regarding relevant matters.

#### 2.4.1.3 IDP REPRESENTATIVE FORUM

On 28 August 2012, the Municipal Council approved the establishment of an IDP Representative Forum in terms of Section 15 of the Municipal Planning and Performance Management Regulations. The IDP Representative Forum comprises the following:

- Ward Committee members from each Ward;
- One representative from the West Coast District Municipality;
- The Executive Mayor, Speaker, Portfolio Chairpersons, one Mayoral Committee Member and two additional Councillors from the other parties represented on Council;
- Three officials namely: the Municipal Manager, Strategic Manager, Head: Strategic Services, and
- Three nominees from key sectors within the Municipal Area.

The first meeting of the IDP Representative Forum for 2018/19 was held on 4 & 5 October 2018 and the objective of this meeting was to discuss "In Partnership towards Empowerment". The second series of meetings of the IDP Representative Forum took place in May 2018 and the theme was social development in Bergrivier Municipal Area.



The following is a photo collage of the IDP Forum meetings that took place:

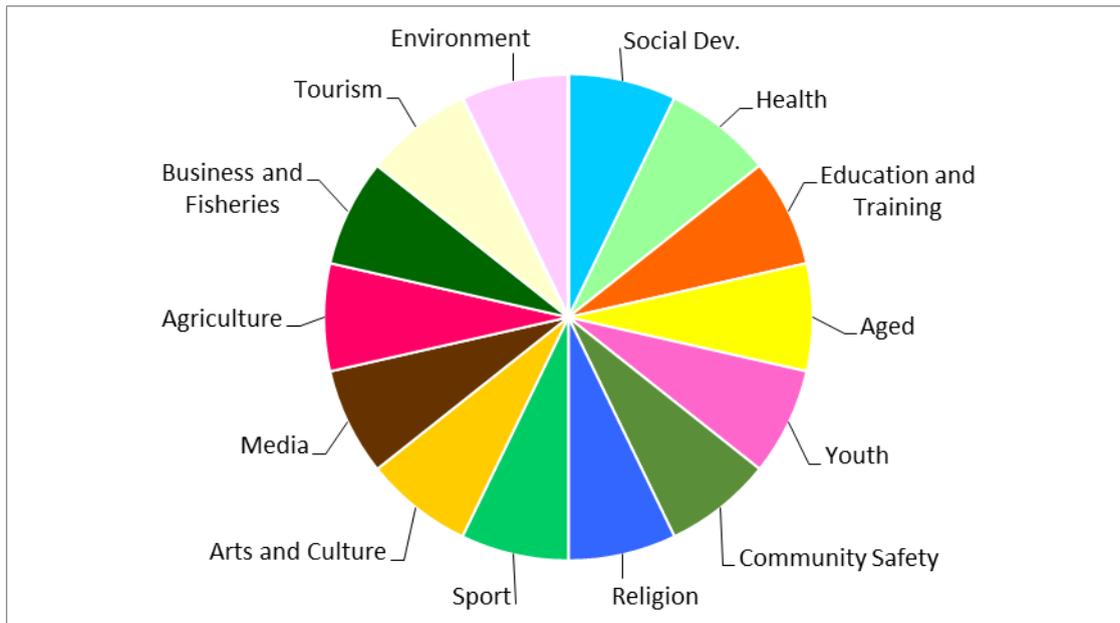
The following is a summary of the IDP Forum meetings held in 2018/19.

TABLE 61: IDP FORUM MEETING

TYPE OF ENGAGEMENT	WARD/TOWN	DATE
IDP Forum meetings	Piketberg	4 October 2018
	Velldrif	5 October 2018
	Piketberg - combined	10 May 2019

The format of the IDP Representative Forum Meetings was reviewed in 2013/14 in a bid to improve participation by key community stakeholders. An outcome of this review was a decision to use the forums to involve the different sectors of the Bergrivier Municipal Area. The following diagram illustrates the sectorial division of the Bergrivier Community.

FIGURE 19: SECTORS WITHIN BERGRIVIER MUNICIPALITY



## 2.5 INTEGRATED DEVELOPMENT PLAN PARTICIPATION AND ALIGNMENT

Integrated Development Planning is regulated by Chapter 5 of the Municipal Systems Act. This Chapter must be read together with Chapter 6 which regulates Performance Management as well as the Municipal Planning and Performance Regulations, 2001, (R796 of 2001). In order to ensure certain minimum quality standards of the IDP process and a proper co-ordination between and within the spheres of government, the IDP process is regulated by the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA). The Act requires the following regarding the process:

### Section 28:

*“(1) Each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.*

*(2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.*

*(3) A municipality must give notice to the local community of particulars of the process it intends to follow.”*

### Section 29(1):

*“The process must—*

*(a) be in accordance with a predetermined programme specifying timeframes for the different steps;*

*(b) through appropriate mechanisms, processes and procedures allow for—*

*(i) the local community to be consulted on its development needs and priorities;*

- (ii) *the local community to participate in the drafting of the IDP; and*
- (iii) *organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;*
- (c) *provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and*
- (d) *be consistent with any other matters that may be prescribed by regulation.”*

During the 2016/17 financial year, the Fourth Generation IDP was compiled and approved by Council in May 2017. The compilation of the IDP was done in accordance with the approved Process Plan. The First Review of the Fourth Generation IDP was undertaken during the 2017/18 financial year and the Review was approved by Council in May 2018. The review and amendment for the 2018/19 financial year was approved by Council in May 2019. The following table provides an overview of the alignment of the IDP to the criteria as set out in Section 26 of the Municipal Systems Act.

TABLE 62: IDP PARTICIPATION AND ALIGNMENT CRITERIA

IDP PARTICIPATION AND ALIGNMENT CRITERIA	YES/NO	COMMENT WHERE THERE WAS LACK OF ALIGNMENT
Does the municipality have impact, outcome, input and output indicators?	Yes	N/A
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes	N/A
Does the IDP have multi-year targets?	Yes	N/A
Are the above aligned and can they calculate into a score?	Yes	N/A
Does the budget align directly to the KPIs in the IDP?	Yes	N/A
Do the IDP KPIs align to the Section 57 Managers?	Yes	N/A
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	N/A
Were the indicators communicated to the public?	Yes	N/A
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	N/A

## 2.6 CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws and relationships affecting the way an institution is directed, administered or controlled.

## 2.7 INTERNAL AUDIT UNIT

The Municipality has an Internal Audit Unit as required by Section 165(1) of the MFMA and an Internal Auditor and Assistant Internal Auditor who reports to the Municipal Manager. Section 165(2) of the MFMA requires the Internal Auditor to:

- a. Prepare a risk-based audit plan and an internal audit program for each financial year;
- b. Advise the accounting officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to—
  - i. internal audit;
  - ii. internal controls;
  - iii. accounting procedures and practices;
  - iv. risk and risk management;
  - v. performance management; and
  - vi. loss control; and
  - vii. compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- c. Perform such other duties as may be assigned to it by the accounting officer.

The Internal Auditor is responsible for the Internal Audit and Risk Management Unit and must also ensure that the combined Performance and Audit Committee meet as legislated and that all aspects required by legislation are submitted at these meetings to ensure that the committee are informed and that recommendations can be made and implemented.

The meetings of the Performance and Audit Committee are attended by Senior Management and relevant Councillors. The Committee is a statutory committee and functions in accordance with Section 166 of the Municipal Finance Management Act. The Committee is an independent advisory body on internal financial controls and audits, risk and performance management and effective governance.

The municipality implemented a compliance system “Eunomia” which is an electronic automated monitoring tool that assists with the monitoring of compliance.

## 2.8 RISK MANAGEMENT

The Municipality has a Risk Committee which meets quarterly. Strategic risks are identified during the annual strategic planning session of the Council as well as by Senior Management at management meetings and Risk Committee Meetings. Departmental and operational risks are identified by the Directorates and managed by the relevant Directors.

Strategic risks are populated in an automated electronic risk register (Risk Assist) which are approved by Council annually. The strategic risk register is updated as part of the mandate of the Risk Committee. Quarterly reports are submitted to Council on how risks are managed and mitigated to ensure proper management thereof and achievement of the desired outcomes.

## 2.9 ANTI-CORRUPTION AND FRAUD

Bergrevier Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. The policy of the Municipality is zero tolerance to corruption and fraud.

Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent.

Implementing good governance, ethics, accountability as well as strategies and policies to prevent fraud and corruption is based on the principle that service delivery is the priority of the Municipality. Implementation of these principles and awareness are continuous processes aimed at ensuring that the interest and needs of the public are met.

Municipalities are encouraged to promote the principles of good governance, ethics and risk management. Raising awareness on good governance includes communication on anti-corruption strategies and highlighting the role of the community in the fight against unethical conduct, fraud and corruption.

The Anti-fraud and Anti-Corruption Policy was reviewed during the 2018/19 financial year and reviewed by the Performance and Audit Committee in March 2019 (OVN 021/03/2018) and approved by the Executive Mayoral Committee in June 2019 (BKN 050/06/2019). Employees are encouraged to communicate with their supervisors or management regarding the identification of risks and incidences of fraud and corruption.

Municipal employees as well as Councillors are expected to abide by the Code of Conduct for Employees and the Code of Conduct for Councillors respectively as found in Schedule 1 and 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). During this financial year no incidents of breach of the codes were reported. These codes include aspects such as general conduct, declaration of interests, council property and commitment to serving the public interest. The Municipal Manager also played an active role in this and has initiated regular vehicle inspections to raise awareness and the importance on the upkeep of municipal assets.

Policies and procedures that are adopted by Council as part of human resources, finance and internal controls also focus on, and include prevention controls, detection controls and segregation of duties to ensure that fraud and corruption is prevented and detected. On a day to day basis these include physical controls, supervision and authorization controls and the proper management of information.

Anti-fraud-, corruption- and ethics initiatives workshops are reported quarterly. Councillors and senior management are part of the Risk Committee and participate in discussions and report backs to ensure that these initiatives are implemented and that officials are informed and part of the process.

## 2.10 BY-LAWS

In terms of the Constitution of the Republic of South Africa (1996) (Section 160 (6)), a municipality may make by-laws which prescribe rules and orders for its internal arrangements, its business proceedings and the establishment, composition, procedures, powers and functions of its committees.

Just like the laws of the country, the Municipality's By-Laws and Policies must also be obeyed. It is important that communities know the content of these by-laws as to ensure an orderly and structured management of the affairs of a town.

Process to pass or amend a by-law

- i. A need for regulatory measures of a municipal responsibility is identified and a by-law is drafted;
- ii. A report detailing the identified need and the draft by-law is submitted through the relevant Committees to Council for principle approval;
- iii. The department that drafted the by-law embarks on a public participation process to invite public comment on the by-law. Any objections received must be considered by Council;
- iv. A final report is submitted to Council for passing of the by-law; and
- v. The approved by-law is promulgated in the Provincial Gazette on which date or a later date as determined in the by-law, it becomes enforceable in the Bergrivier Municipal Area.

### **By-law enforcement**

Each Directorate is responsible for enforcing By-laws regulating matters within its field of responsibility in terms of delegated authority from the Council.

By-laws can be viewed on the Bergrivier Municipality website [www.bergmun.org.za](http://www.bergmun.org.za)

## 2.11 THE MUNICIPAL WEBSITE

The Local Government Systems Act, 32 of 2000, (Section 21(B)) requires the Municipality to establish an official website. The Municipal Website is an integral part of the Municipality's communication strategy. Bergrivier Municipality's official website is: [www.bergmun.org.za](http://www.bergmun.org.za)

The Municipality is required to place all information that must be made public in terms of the Municipal Systems Act and the Municipal Finance Management Act (MFMA) on this Website. Section 75 of the MFMA specifies that the following documents must be placed on the website:

TABLE 63: MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL

DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE		YES / NO
a)	The annual and adjustments budgets and all budget-related documents	Yes
b)	All current budget-related policies	Yes
c)	The annual report	Yes
d)	Performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act	Yes
e)	All service delivery agreements	Yes
f)	All long-term borrowing contracts	Yes
g)	All supply chain management contracts above R 100 000 for 2017/18	Yes
h)	An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4)	Yes
i)	Contracts agreed in Year 1 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	Yes
j)	Public-private partnership agreements referred to in section 120	N/A
k)	All quarterly reports tabled in the council in terms of section 52 (d)	Yes
l)	Any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed	Yes

## 2.12 DELEGATIONS

The Constitution of the Republic of South Africa (1996) states that the legislative and executive authority of the municipality is vested in the municipal council. The municipality has the function and powers assigned to it in terms of Sections 156 and 229 of the Constitution. Section 53 of the Systems Act states that the Municipality must define specific areas of responsibilities for each political structure or political office bearer of the Municipality and that of the Municipal Manager. These respective roles and areas of responsibilities may include the delegation of power and duties. In terms of Section 59(1) of the Municipal Systems Act, 2000 (Act 32 of 2000) the Municipality must develop a system of delegation that will maximise administration and operational efficiency and will provide for adequate checks and balances.

In terms of the Section 12 Notice (Municipal Structures Act), Bergrivier Municipality operates under an Executive Mayoral System. This system allows for the exercise of executive authority through an Executive Mayor in which the executive leadership of the municipality is collectively vested.

Decisions are taken corporately by, or on behalf of the whole Council. Municipalities are expressly empowered to arrange for their functions to be discharged by Committees, who may in turn arrange for them to be discharged by Sub-Committees. The Council, Committee or Sub-Committee may also decide that individual officers may discharge functions. All such arrangements are referred to as delegations and a "register, or manual of delegations" must be maintained by the municipality so as to have a record of all delegations made.

Since the approval of the previous delegations (28 February 2012) various pieces of new legislation or amendments to legislation have come into operation which have assigned additional powers, duties and responsibilities to the Municipal Manager as the accounting officer and further powers and responsibilities to the Mayor, as the political head of the municipality. A review of all delegations was therefore necessary to align the previous delegations with the new legislation and amendments and the new delegations were approved on 23 June 2015.

Section 65 of the MSA determines the following: 65 Review of delegations:-

“(1) Whenever it becomes necessary in terms of section 59(2) (f) to review a municipality’s delegations, the municipal manager must submit to the Council – (a) a report on the existing delegations issued in terms of Section 59 by the Council and other delegating authorities of the Municipality; and (b) recommendations on any changes to the existing delegations which the municipal manager may consider necessary.”

Bergvriër Municipality has developed their Delegated Powers in accordance with delegations that currently exist as well as those provided for in new Local Government legislation or amendments to legislation. The Office of the Municipal Manager and all Departments were consulted in order to identify and advise on all powers and functions related to their respective key performance areas in an endeavour to ensure that a proper system of delegation is put into place. This will contribute to the accountable empowerment of officials and functionaries and other organs of the Council in execution of their administrative and operational powers, functions and responsibilities in order to optimize efficiency in an accountable and transparent manner. There are currently two main Acts that govern delegation of municipal powers to organs, officials and functionaries, i.e. Municipal Systems Act and the Municipal Finance Management Act. There are, however, other pieces of legislation that deal with specific matters (e.g. National Building Regulations, SAPS Act, - National Road Traffic Act etc.) that contain specific stipulations regarding the delegation of certain statutory powers without the necessity of Council resolution.

The newly elected council accepted these delegations without any changes on 23 August 2016 (RVN024/08/2016). The delegations were revised on 30 January 2018 (RVN015/01/2018) and 26 June 2018 (RVN018/06/2018).

## CHAPTER 3 SERVICE DELIVERY PERFORMANCE



**Winterhoek Mountains in winter time**  
Photographer unknown: Photo provided

### 3.1 INTRODUCTION

This chapter provides an overview of the service delivery performance of the Municipality for the 2018/19 financial year, and includes all services rendered by the Municipality. The chapter concludes with the Municipality's Annual Performance Report which was compiled in terms of Section 46 of the Municipal Systems Act. It sets out the Key Performance Indicators (KPI's), targets and actual performance of the Municipality in relation to the strategic objectives of the Municipality as set out in the Integrated Development Plan (IDP). It also includes a service provider's performance evaluation report

### 3.2 BASIC SERVICES

Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity, and refuse removal. An overview will also be provided on integrated human settlements (housing) which differs from the aforementioned services in that it is a concurrent National and Provincial competence. It is included in this Annual Report as there is a direct correlation between the provision of basic services and housing and Bergrivier Municipality delivers housing as an implementing agent for Provincial Government. The Municipality has been providing basic services at the prescribed level to all urban households within its area of jurisdiction since the 2008/09 financial year, but still faces major challenges when it comes to ensuring that residents of the private Moravian towns have access to minimum service standards. There are ongoing discussions between the Municipality, Moravian Church of South Africa, SALGA and Provincial Government to find a sustainable service delivery solution.

The Municipality was also successful by accessing grant funding from the Provincial Government - drought relief funds for Goedverwacht and Wittewater R 1.0 million and R 0.85 million respectively, as well as an Infrastructure Support Grant for Goedverwacht to the amount of R 3 million to increase the supply from the respective water sources and to upgrade the respective water purification systems.

Municipalities have the discretion to provide services at higher levels than the required basic levels, and one of Bergrivier Municipality's development priorities is to provide and maintain bulk and service infrastructure that will address backlogs and provide for future development. Bergrivier's focus is on steadily improving bulk and service infrastructure networks to enable the municipality to render good quality services to all its consumers and to create an environment that will attract development opportunities that will impact positively on the local economy. This includes:

- Reducing bulk and service infrastructure capacity backlogs (water and sanitation);
- Maintenance and development of service infrastructure and networks to maintain a good standard of service delivery; and
- Master plan development and revision.

### 3.2.1. WATER

#### 3.2.1.1 INTRODUCTION

Water services are rendered by the Technical Services Directorate. The Municipality is a Water Services Authority in terms of the Water Services Act, 1997 (Act 108 of 1997) and adopted a Water Services Development Plan (WSDP) in 2017 – 2022. Bergrivier Municipality is required in terms of Section 18 of the Water Services Act, 1997 (Act 108 of 1997), as well as the “Regulations relating to compulsory national standards and measures to conserve water” as issued in terms of Sections 9(1) and 73(1)(i) of the Water Services Act, to report on the implementation of its WSDP during each financial year and to include a water services audit in such an Annual Report. The Municipality provides water services to all towns in its area of jurisdiction with the exception of Goedverwacht, Wittewater and De Hoek (PPC) which are private towns.

The overarching objectives of the WSDP are:

- To provide for the housing needs of the residents of Bergrivier Municipal Area in a continuous and sustained manner by timely future planning while preserving its distinctive character;
- To, in co-operation with other role-players, provide the residents of Bergrivier Municipal Area with a healthy economic basis and create a quality environment through sustained planning and in so doing create job opportunities as well as promote the expansion of tourism;
- To provide the residents of Bergrivier Municipality with a healthy and safe living environment through the timely establishment of the necessary community facilities;
- To empower the residents of Bergrivier Municipal Area through the provision and exposure to the necessary academic as well as practical training facilities;
- To support the residents of Bergrivier Municipal Area with the necessary sport and recreational facilities; and
- To preserve, conserve and expand the conservation worthy natural environment in harmony with future town development.

The two most critical issues addressed in the WSDP are

- The eradication of water backlogs: All households have access to basic water. Grants provided by National Government (MIG funds) are utilised for the upgrading of water and sanitation bulk and service infrastructure.
- Water Conservation (WC) and Water Demand Management (WDM): The implementation of Bergrivier Municipality’s WC/WDM Strategy has been extremely successful and the Municipality was able to reduce the water requirements of the towns significantly, the overall percentage of NRW for all the internal distribution systems for the 2018/2019 year is standing at 9.4 %.
- The Municipality monitors its water losses on a monthly basis, and is experiencing a decline in its water losses. Key priorities in terms of the Municipality’s WC/WDM Strategy are:
  - The identification of specific zones within the supply system to monitor revenue or unaccounted for

- water (UAW) on a monthly basis;
- The monitoring of non-revenue or UAW regularly (detailed water audits and balances);
- The implementation of systems to measure key parameters such as minimum night flows;
- To implement a pressure management, pipeline management and rehabilitation programme;
- Raise awareness through brochures detailing the benefits of initiating WDM/WC strategies that can be sent out with the accounts and placed in local newsletters;
- Water education in schools (demonstrations and exhibits at schools in their planning process);
- Implementation of a consumer meter management programme and meter maintenance and replacement policy;
- Inform Council Members of the current legislation around WC/WDM, and include it in the Strategic Framework for Water Services;
- WC/WDM options must be included when additional water resources are investigated and it must be seen as part of the water services planning process; and
- New supply schemes must only be developed where it can be shown that the existing water resources are being used efficiently.

The Municipality was also successful with accessing grant funding from the Provincial Government from drought relief funds for Goedverwacht and Wittewater with R 1.0 million and R 0.85 million respectively, as well as an Infrastructure Support Grant for Goedverwacht to the amount of R 3 million to increase the supply from the respective water sources and to upgrade the respective water purification systems. The projects were implemented in the 2017/18 financial year. The projects were recently commissioned, though technical difficulties are being experienced in Goedverwacht. A hand over process to the community is under way.

### 3.2.1.2 SERVICE STATISTICS

#### 3.2.1.2.1 ACCESS TO WATER AND SERVICE DELIVERY LEVELS

The Water Services Act, 1997 (Act No 108 of 1997) defines access to minimum water standards as access to at least 25 litres of potable water per day supplied within 200 m of a household and with a minimum flow of 10 litres per minute. Access to piped water is defined as 6 000 litres of potable water supplied per formal connection per month. National policy also requires that poor households should receive 6 kl of free basic water per month. Only registered indigent households within the Municipality's supply area are entitled to 6 Kl of free basic water.

All households within the Municipality's supply area have access to minimum standards of water. All households have access to piped water including the informal houses in Block F, Velddrif (old hostel), which had communal water facilities within 200 m in the previous financial year.

TABLE 64: ACCESS TO WATER

FINANCIAL YEAR	PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS	PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER	PROPORTION OF HOUSEHOLDS ENTITLED TO 6 KL FREE WATER
2016/17	137	8 937	1 879
2017/18	137	9 039	1 746
2018/19	0	9 515	1988

30 June 2018 Billing Reports

TABLE 65: WATER SERVICE DELIVERY LEVELS

DESCRIPTION	2016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL
<b>WATER: (ABOVE MIN LEVEL)</b>			
Piped water inside dwelling	8 937	9 039	9 515
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling )	137	137	0
Other water supply (within 200m)	9 074	9 176	9 515
Minimum Service Level and Above sub-total	8 937	9 039	9 515
Minimum Service Level and Above Percentage	100 %	100 %	100 %
<b>WATER: (BELOW MIN LEVEL)</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
Below Minimum Service Level sub-total	0	0	0
Below Minimum Service Level Percentage	0	0	0
<b>Total number of households</b>	<b>8 734</b>	<b>8 937</b>	<b>9 515</b>

30 June 2019 Billing Reports

### 3.2.1.2.2 WATER QUALITY

The quality of the Municipality's water as measured against National Standard SANS 241 is still improving and well within the set norms as prescribed by SANS 241. Data is available from the "Supply System Drinking Water Quality Performance Report" of the Department of Water Affairs and Sanitation, as well as on the Bergrivier Municipalities website where the water quality is updated monthly. Data is collected directly from the laboratory and the results are captured on a national database (also known as IRIS - Integrated Regulatory Information System) as well as in the directorate. Water is analysed on a weekly

basis according to 4 criteria, namely Microbiological, Chemical, Physical Organoleptic and SANS 241. Based on calculating the averages on these four criteria, a water quality of 98.8 % for Bergrivier Municipality has been achieved compared to 98 % the previous year. This achievement is above the norm and the figure of 98.8 % represent excellent water quality.

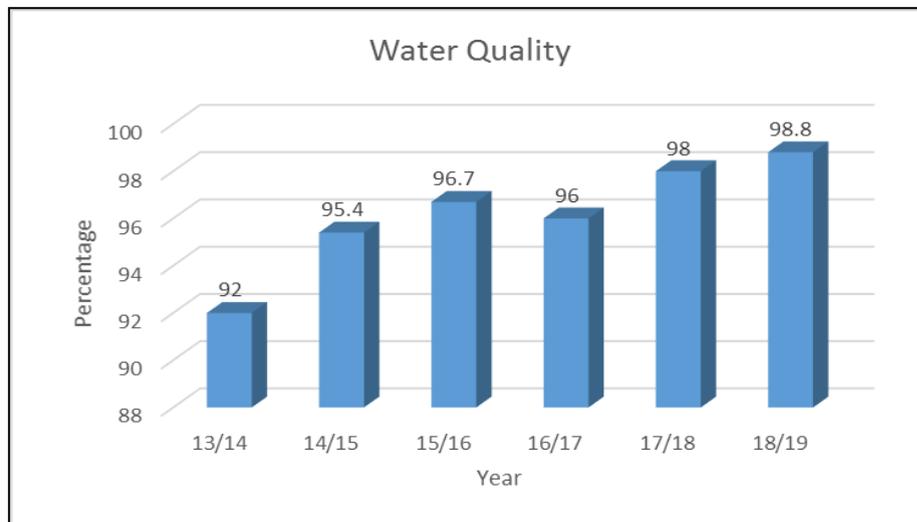


FIGURE 20: WATER QUALITY

*Graph indicating water quality since the 13/14 – 2018/19 financial years  
Source: Annual Financial Statements*

### 3.2.1.2.3 WATER CONSUMPTION AND LOSSES

The goal is to ensure that non-revenue water and UAW levels are maintained/reduced and to implement measures to promote WC/WDM to their consumers and end-users on an on-going basis. Highlights of the 2018/19 financial year were that the Municipality were able to keep their water losses under 10 % (currently at 9.4 %), which is well below the national norm of 37 %. This means that the Municipality on average managed to save 27 % water for the community of Bergrivier Municipality and simultaneously saved considerable funds to the advantage of our community.

TABLE 66: WATER CONSUMPTION AND LOSSES

YEAR	UNITS PURCHASED (kl)	LOSSES (kl)	%	RAND VALUE (APPROXIMATE)
2016/17	2 598 395	258 048	9.93	1 290 240
2017/18	1 715 403	119 818	6.98	636 234
2018/19	1 713 503	161 478	9.4	1 043 148*

\*Water rand value is calculated as the largest amount of losses are in the Velddrif/Dwarskersbos area where treated water is bought at a rate of R6,46/kl. The water bought in the other towns are much cheaper as treatment still needs to be done.

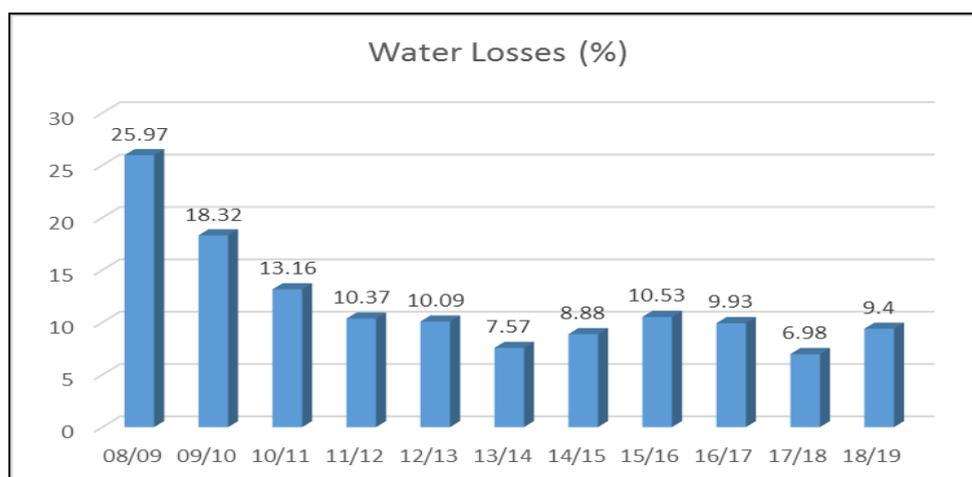


FIGURE 21: WATER LOSSES

TABLE 67: WATER LOSSES PER NETWORK (%)

YEAR	VELDDRIF	AURORA	PIKETBERG	REDELINGHUYS	PORTERVILLE	EENDEKUIL
2016/17	4.1	16.2	11.7	10.3	16.9	22.7
2017/18	1.6	15.88	9.9	20.5	6.1	32.1
2018/19	11.6	31.8	-2.7*	27	16.4	19.5

\*Currently investigating as to why this figure is in the negative.

The losses in the towns of Aurora, Redelinghuys and Eendekuil might look substantial, but the rand amount lost is not enough to motivate the appointment of a contractor to investigate underground pipe leaks and leak detection.

#### 3.2.1.2.4 DROUGHT

On 24 May 2017, a provincial state of disaster was declared as a result of the magnitude and severity of the drought affecting the Western Cape. Under section 41(2) of the Disaster Management Act, 2002 (Act 57 of 2002) the Premier issued directions dealing with restrictions on the use of potable water for domestic and industrial purposes. These directions applied to the Cape Town Metropolitan Municipality and all local municipalities in the Western Cape. For the jurisdiction of Bergrivier Municipality level 6 restrictions were implemented since January 2018, which implied water savings between 40 % and 50 % along with a usage of 50 litres per person per day. Agricultural usage was restricted to a 60 % saving on assigned quotas. The Municipality quickly adapted to circumstances by lodging a very aggressive public awareness program which resulted in excellent cooperation by the public by saving almost 50 % of water normally used.

Due to better rainfall season in 2018 and 2019, the dam levels increased to a level where water restrictions were relieved from level 6B to level 5 as of the 1st of October 2018 and the amount increased to 70 litres per person per day instead of the 50 litres. Industrial and commercial users were restricted by 40 % instead of the 45 % as under Level 6 restrictions.

The Western Cape Water Supply System (WCWSS) has been replenished to levels where as from the 1st of December 2018, water restrictions have been relaxed to level 3 and the amount increased to 105 litres per person per day instead of the 70 litres.

### 3.2.1.3 HUMAN RESOURCE CAPACITY

The vacancy rate in staff for water services was 30 % as at 30 June 2019. For practical purposes, water and sanitation are treated as a unit and personnel assigned to these functions work across both functions. Management assigned to the function are responsible for all aspects of service delivery.

TABLE 68: HUMAN RESOURCE CAPACITY: WATER SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
60	42	18	30 %

The relative high level of vacancies is within the worker component and not within management. These values represent number of posts filled versus posts vacant on the organogram approved by council during 2017.

### 3.2.1.4 FINANCIAL PERFORMANCE

TABLE 69: FINANCIAL PERFORMANCE (OPERATIONAL): WATER SERVICES: DISTRIBUTION & TREATMENT

WATER DISTRIBUTION				
DESCRIPTION	2018/19 BUDGET	2018/18 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	4 548 100.00	4 274 100.00	4 490 741.00	5.07%
Other:	12 448 669.00	11 634 906.00	11 455 405.90	-1.54%
Repairs & Maintenance:	811 000.00	873 000.00	602 636.10	-30.97%
<b>Total Operational Expenditure</b>	<b>17 807 769.00</b>	<b>16 782 006.00</b>	<b>16 548 783.00</b>	-1.39%
<b>Total Operational Revenue</b>	<b>-23 760 717.00</b>	<b>-24 261 795.00</b>	<b>-26 209 734.40</b>	8.03%
<b>Net Operational Expenditure</b>	<b>-5 952 948.00</b>	<b>-7 479 789.00</b>	<b>-9 660 951.40</b>	29.16%
WATER TREATMENT				
DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employee Related Costs	714 200.00	584 200.00	604 694.10	3.51%

Other Expenditure	2 144 283.00	1 787 471.00	1 663 230.00	-6.95%
Repairs & Maintenance	65 000.00	67 000.00	49 113.20	-26.70%
Total Operational Expenditure	<b>2 923 483.00</b>	<b>2 438 671.00</b>	<b>2 317 037.30</b>	-4.99%
Total Operational Revenue	-	-	-	
Net Operational Expenditure	<b>2 923 483.00</b>	<b>2 438 671.00</b>	<b>2 317 037.30</b>	-4.99%

TABLE 70: FINANCIAL PERFORMANCE (CAPITAL): WATER SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Water conservation demand management intervention	4 910 000,00	4 010 000,00	-	-100%
Replace water meters	150 000,00	356 000,00	249 282,84	-29.98%
Replace redundant meters	150 000,00	150 000,00	137 053,94	-8.63%
Pressure valve (Renew)	140 000,00	140 000,00	127 844,40	-8.68%
Pumps (standby)	220 000,00	170 000,00	161 221,30	-5.16%
Pyp Vervangingsprogram	200 000,00	200 000,00	120 002,22	-40 %
Standby booster pump	125 000,00	125 000,00	100 666,10	-19.47%
Purchase new borehole pumps	50 000,00	50 000,00	45 423,79	-9.15%
Telemetry: Water	100 000,00	150 000,00	141 575,07	-5.62%
Ground Water Investigations (VD)	250 000,00	-	-	
Augmentation	10 000,00	10 000,00	-	-100%
<b>TOTAL</b>	<b>63 050 000.00</b>	<b>5 361 000.--</b>	<b>10 540 574,15</b>	<b>-79.80 %</b>

Audited Annual Financial Statements 2018/19

### 3.2.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The WSDP was submitted to National and Provincial government within the time limit;
- Potable water tests (SANS 241) indicated good quality of water;
- Further investment into additional water sources - underground in Piketberg, Aurora and Velddrif. These additional sources will be tested in the 2019/20 financial year; and
- On-going reductions in water losses.

### 3.2.2 SANITATION

#### 3.2.2.1 INTRODUCTION

Sanitation services are rendered by the Technical Services Directorate. The Municipality provides sanitation services to all towns in its area of jurisdiction with the exception of Goedverwacht, Wittewater and De Hoek (PPC) which are private towns. All households have access to basic services and our strategy is to provide a better quality of service through the upgrading of the existing waste water treatment works (WWTW) and networks. Sanitation is also addressed in the Water Services Development Plan, especially the eradication

of sanitation backlogs. Backlogs pertain to the development of new houses and backyard dwellers.

### 3.2.2.2 SERVICE STATISTICS

#### 3.2.2.2.1 ACCESS TO SANITATION AND SERVICE DELIVERY LEVELS

Access to minimum sanitation services is defined as a ventilated pit latrine (VIP). All urban households within the Municipality's area of jurisdiction have access to minimum sanitation levels.

TABLE 71: SANITATION SERVICE DELIVERY LEVELS

DESCRIPTION	2016/2017 ACTUAL	2017/2018 ACTUAL	2018/2019 ACTUAL
<b>SANITATION/SEWERAGE: (ABOVE MINIMUM LEVEL)</b>			
Flush toilet (connected to sewerage)	7 167	7 404	7 371
Flush toilet (with septic tank)**	2 092	2 092	2 144
Chemical toilet	0	0	0
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above min. service level)	137	137	0
<b>Minimum Service Level and Above sub-total</b>	<b>9 396</b>	<b>9 633</b>	<b>9 515</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SANITATION/SEWERAGE: (BELOW MINIMUM LEVEL)</b>			
Bucket toilet	0	0	0
Other toilet provisions (below min. 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</b>	<b>9 396</b>	<b>9 633</b>	<b>9 515</b>

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(\*Figure not included in billing reports because basic sanitation not charged for septic tanks)

#### 3.2.2.2.2 WASTE WATER QUALITY

The Municipality's waste water is of an acceptable quality, comparing with the National Standard SANS 241.



The MIG registration processes are completed and approved by Provincial Government and National Government to the amount of R 37 million to upgrade the Waste Water Treatment Works from a capacity of 0.75 Ml/d to 1.5 Ml/d in Porterville to make provision for future housing projects and other developments. The MIG funding was depleted by June 2019 and counter funding of R 2 500 000.00 is required to finish the project in the 2019/ 20 financial year. A new sewer pipeline in the 2018/9 and 2019/20 financial years have commenced through Monte Bertha, Porterville, as to eliminate the use of the pump station and have sewer gravitate naturally to WWTW.

#### *Upgrading of Porterville Sewerage Works*

#### 3.2.2.3 HUMAN RESOURCE CAPACITY

The vacancy rate for staff members in sanitation services was 30 % as at 30 June 2019. For practical purposes, water and sanitation are treated as a unit and personnel assigned to these functions work across both functions. Management assigned to the function are responsible for all aspects of service delivery.

TABLE 72: HUMAN RESOURCE CAPACITY: SANITATION SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
60	42	18	30 %

The relative high level of vacancies is within the worker component and not within management. These values represent number of posts filled versus posts vacant on the organogram approved by Council during 2017.

#### 3.2.2.4 FINANCIAL PERFORMANCE

TABLE 73: FINANCIAL PERFORMANCE (OPERATIONAL): SANITATION SERVICES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	1 948 100.00	2 099 100.00	2 203 309.40	4.96%
Other:	5 744 324.00	6 739 785.00	2 977 422.90	-55.82%

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Repairs & Maintenance:	592 000.00	690 000.00	494 400.10	-28.35%
<b>Total Operational Expenditure</b>	<b>8 284 424.00</b>	<b>9 528 885.00</b>	<b>5 675 132.40</b>	<b>-40.44%</b>
<b>Total Operational Revenue</b>	<b>-15 639 087.00</b>	<b>-15 684 106.00</b>	<b>-15 624 739.20</b>	<b>-0.38%</b>
<b>Net Operational Expenditure</b>	<b>-7 354 663.00</b>	<b>-6 155 221.00</b>	<b>-9 949 606.80</b>	<b>61.64%</b>

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TABLE 74: CAPITAL EXPENDITURE: SANITATION SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Replace rising mains in pump stations	150 000,00	118 729,00	-	-100%
Sewer Renewals	60 000,00	60 000,00	-	-100%
Telemetry	120 000,00	104 348,00	104 347,83	0.00%
Switchgear and pumps	120 000,00	135 500,00	117 480,00	-13.30%
Telemetry at pump stations	150 000,00	150 000,00	150 000,00	0.00%
Sewerage stand by pumps	180 000,00	266 995,00	236 292,59	-11.50%
Furniture & Equipment - Sewerage	8 000,00	8 000,00	7 288,84	-8.89%
Tools	10 000,00	10 000,00	9 255,39	-7.45%
Refurbishment and upgrade of WWTW	9 155 884,00	9 155 884,00	9 366 601,69	-2.30%
Fencing Sewer Pump Stations	60 000,00	53 044,00	53 043,48	0.00%
PV Pumphline	2 689 116,00	2 689 116,00	2 865 917,01	6.57%
Security at WWTW	50 000,00	8 704,00	25 113,04	188.52%
Roof at Inlet Works (Green Drop requirements)	30 000,00	22 680,00	22 679,73	0.00%
<b>TOTAL</b>	<b>12 783 000.00</b>	<b>12 783 000.00</b>	<b>12 958 019.60</b>	<b>13.7%</b>

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### 3.2.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Challenges that still need to be addressed include:

- The increasing presence of backyard dwellers due to home owners renting out structures in their yards for additional income. Although all even have access to sanitation, it is not possible to ensure that these backyard dwellers have access to the same sanitation;
- The high cost of making provision for future developments and low costs housing projects;
- Oxidation ponds for Aurora and Redelinghuys; and
- Finish upgrades of the Porterville Waste Water Treatment Works to accommodate future low cost housing developments.

### 3.2.3 ELECTRICITY AND STREET LIGHTING

#### 3.2.3.1 INTRODUCTION

Electricity services are rendered by the Technical Services Directorate. The Municipality is responsible for the distribution of electricity in all urban areas, except Goedverwacht, Wittewater and De Hoek and a portion of Eendekuil. The Municipality only distributes electricity to a small portion of Eendekuil where the low cost houses are situated (162 households). ESKOM distributes electricity to all areas not serviced by the Municipality.

## 3.2.3.2 SERVICE STATISTICS

## 3.2.3.2.1 ACCESS TO ELECTRICITY AND SERVICE DELIVERY LEVELS

Registered indigent households receive 50 kWh of free basic electricity per month. All existing households within the municipal supply area have access to minimum standards of electricity. There is also street lighting in all towns.

TABLE 75: ELECTRICITY SERVICE DELIVERY LEVELS

DESCRIPTION	2016/17: ACTUAL	2017/18:ACTUAL	2018/19:ACTUAL
ENERGY: (ABOVE MINIMUM LEVEL)			
Electricity (at least minimum service level)	1 003	931	782
Electricity - prepaid (minimum service level)	8 371	9 034	9 432
Minimum Service Level and Above sub-total	9 374	9 965	10 214
Minimum Service Level and Above Percentage	100%	100%	100%

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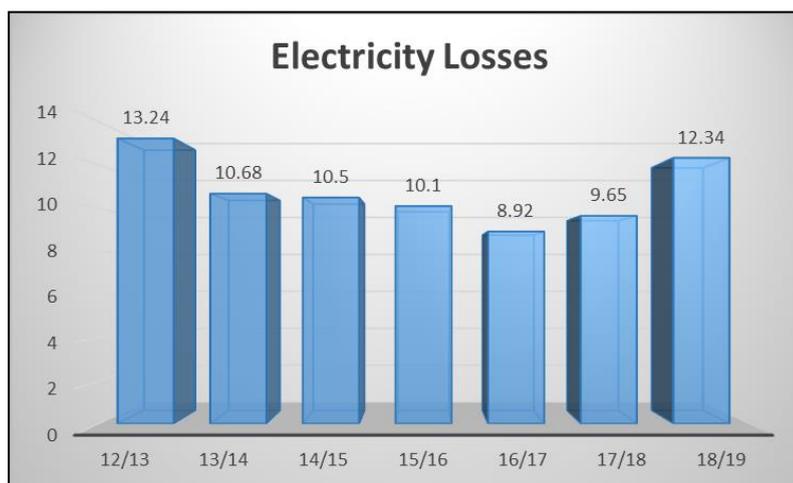
## 3.2.3.2.2 ELECTRICITY CONSUMPTION AND LOSSES

The municipality strives to keep their electricity losses below 10 %, but in the 2018/19 year the losses were 12.34 %. The figure is still lower than the national norm of 17 %. (Technical and Non-Technical Losses). Bergrivier is still in the process of replacing old pre-paid and conventional meters with new “split type pre-paid meters”. The Municipality was able to allocate much needed capital to maintain and refurbish old sections of the electricity network.

TABLE 76: OVERVIEW OF ELECTRICITY SERVICES

YEAR	UNITS PURCHASED (kWh)	LOSSES (kWh)	PERCENTAGE (%)	RAND VALUE
2016/17	80 203 384	7 157 336	8.92	R 6 464 506
2017/18	79 806 013	7 704 397	9.65	R 6 958 612
2018/19	82 365 768	10 174 840	12.34	R 9 824 927

FIGURE 22: ELECTRICITY LOSSES



### 3.2.3.3 HUMAN RESOURCE CAPACITY

The vacancy rate for electrical services was 0 % as at 30 June 2019.

TABLE 77: HUMAN RESOURCE CAPACITY: ELECTRICITY SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
22	22	0	0%

The relative high level of vacancies is within the worker component and not within management. These values represent number of posts filled vs. posts vacant on the organogram approved by Council during 2017.

### 3.2.3.4 FINANCIAL PERFORMANCE

TABLE 78: FINANCIAL PERFORMANCE (OPERATIONAL): ELECTRICITY and STREET LIGHTING

ELECTRICITY				
DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	7 167 200.00	7 665 200.00	7 936 935.10	3.55%
Other:	85 714 143.00	87 908 610.00	86 096 897.00	-2.06%
Repairs & Maintenance:	1 857 500.00	1 916 500.00	1 866 219.30	-2.62%
<b>Total Operational Expenditure</b>	<b>94 738 843.00</b>	<b>97 490 310.00</b>	<b>95 900 051.40</b>	<b>-1.63%</b>
<b>Total Operational Revenue</b>	<b>-116 660 087.00</b>	<b>-117 328 099.00</b>	<b>-106 483 233.70</b>	<b>-9.24%</b>
<b>Net Operational Expenditure</b>	<b>-21 921 244.00</b>	<b>-19 837 789.00</b>	<b>-10 583 182.30</b>	<b>-46.65%</b>
STREETLIGHTS				
DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE

Employees:	766 600.00	793 600.00	818 250.10	3.11%
Other:	52 865.00	44 000.00	41 482.80	-5.72%
Repairs & Maintenance:	220 000.00	225 000.00	225 356.10	0.16%
<b>Total Operational Expenditure</b>	<b>1 039 465.00</b>	<b>1 062 600.00</b>	<b>1 085 089.00</b>	2.12%
<b>Total Operational Revenue</b>				
<b>Net Operational Expenditure</b>	<b>1 039 465.00</b>	<b>1 062 600.00</b>	<b>1 085 089.00</b>	2.12%

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TABLE 79: FINANCIAL PERFORMANCE (CAPITAL): ELECTRICITY AND STREET LIGHTING

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
High tension pole replacements	50 000,00	-	-	-
High tension circuit breakers	30 000,00	-	-	-
Bulk meter replacement	60 000,00	20 791,00	20 687,50	-0.50%
Replacing conventional electricity meters with prepaid	500 000,00	1 040 160,00	1 037 944,00	-0.21%
Larger HT Switches - standby battery cell	70 000,00	-	-	-
Install mini - sub for increased demand in industrial area	410 000,00	399 900,00	399 268,76	-0.16%
Furniture & Equipment - Electricity	8 000,00	8 000,00	7 720,65	-3.49%
Meter streetlights	30 000,00	-	-	-
Replace street lights	150 000,00	39 149,00	39 422,13	0.70%
Ht Feeder to Redelinghuys	200 000,00	-	-	-
Network Renewals	600 000,00	633 000,00	804 793,69	27.14%
Ht Feeder to Noordhoek	2 608 696,00	3 000 000,00	3 107 824,37	3.59%
Vehicle Replacement	550 000,00	517 000,00	511 014,78	-1.16%
<b>TOTAL</b>	<b>5 266 696.00</b>	<b>5 658 000.00</b>	<b>5 928 675,88</b>	<b>4.78%</b>

*Audited Annual Financial Statements 2018/19*

### 3.2.3.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- A constant supply of good quality electricity to consumers despite limited resources; and
- Manage to keep electricity losses below the 17 % National norm.

Challenges that are being addressed on a continuous basis:

- Maintain maintenance standards on networks;
- Limited budget to maintain existing infrastructure; and

- Keep electricity losses below 10 %.

The team also received a grant from the Department of Energy of R 3 million that was used to construct a new switching station in Velddrif to improve the supply to low cost housing and the industrial area.

### 3.2.4 WASTE MANAGEMENT

#### 3.2.4.1 INTRODUCTION

Waste management services are rendered by the Technical Services Directorate. Waste Management includes the collection, recycling and disposal of household and business waste, builder's rubble and garden refuse. Street cleansing is also a function of the Waste Management Section. All households in urban areas, including Goedverwacht and Wittewater, have access to a weekly refuse removal service.

Waste is transported from Velddrif Transfer Station to be disposed of at Vredenburg landfill site, and from Piketberg Transfer Station to the Highlands waste site at Malmesbury. The rehabilitation cost of the five old landfill sites remains a challenge. The rehabilitation cost of the five sites namely Piketberg, Porterville, Aurora, Redelinghuys and Velddrif are estimated to cost an estimated R 84 million. The Municipality does not have the financial capacity for this expenditure, but regards it as a priority and will endeavour to obtain funding. The closure and rehabilitation of the Velddrif site form part of a land exchange in terms of which the new owner will bear the rehabilitation costs. After all options were taken into consideration, the most economic viable option was to transport the waste of Bergrivier Municipality to Malmesbury Highlands Waste Site. Because of the high transport costs, the objective for Bergrivier Municipality was to reduce those costs by reducing the number of refuse bags. Bergrivier Municipality was further obliged in terms of the National Environmental Management Act, 2008 (Act 59 of 2008) to obtain closure permits. One of the objectives of such a permit is the closure of landfill sites which means that waste (except for green waste and building rubble) must be received at the transfer stations and collection points. Bergrivier Municipality, with the assistance of the Department of Environmental Affairs and Development Planning (DEA & DP), has obtained closure permits for all the landfill sites.

The first step in implementing the "separation at source"-principle was to identify two areas on each of the landfill sites to dump the green waste and building rubble so that they could be disposed of in different manners. During the public awareness campaign the community was informed regarding the importance of recycling. After investigating and analysing the content of the refuse bags, it was found that it included a large amount of green waste. Bergrivier Municipality decided then to also implement a green refuse bag system to further reduce the number of black refuse bags that have to be transported to the disposal sites. The three-bag system now ensures that separation at source is done at a much higher rate, assisting with deviation from landfills. Further investigations are being done to further deviate waste from our transfer stations and eventually landfill sites.

The 4<sup>th</sup> generation Integrated Waste Management Plan (IWMP) has been compiled and will be submitted later in 2019. All recyclables from Porterville, Redelinghuys and Eendekuil are transported to the recycling

facility at Piketberg where it is separated. Recycling at Velddrif is done by the appointed contractor who is also responsible for the recycling of Dwarskersbos and Aurora. Licences for the recycling facilities in Piketberg and Velddrif were issued by DEA&DP.

All the above actions resulted in a total turnaround regarding the appearance of the landfill sites. The way forward is to obtain financial assistance for the rehabilitation of the landfill sites, and to enter into discussions with PPC for the incineration of all the waste (in accordance with PPC norms and standards) in Bergrivier, which will further reduce costs. The Municipality is also forced by legislation (NEMWA Act 59 of 2008) to



install weighbridges in order to adhere to reporting procedures in terms of the said legislation.

*Photo of weighbridge*

The Municipality is also in the final stages of finishing a recycling plant in Piketberg to increase the recycling



volumes and decrease the transporting cost of waste.

*Photo of recycling plant under construction: Piketberg*

A Business Plan was approved by the Federal Government in Belgium to implement projects in Monte Bertha Porterville, Ward 4 Piketberg and Noordhoek, Velddrif, to appoint and train waste ambassadors to assist in cleaning the respective areas, and also train the waste ambassadors in various disciplines regarding waste management and public awareness campaigns, with the goal to create a cleaner and healthier environment. It is a multiyear program which started in 2017, and we are currently in the second year of the program. The vision of the program is to turn waste into prosperity. By doing that the Municipality also plans to use Green

Cape to assist in reaching the vision of the project. The following objectives need to be part of the program in striving to be successful by turning waste into prosperity:

- Establishment of a recycle shop where the recycling contractor will be requested to put up shops in each of these areas once a week for a dedicated two to three hours (for example Wednesdays from 08:00 – 10:00) to allow all members of the public to sell recyclables to the contractor. The contractor will weigh the bags and compensate the seller accordingly thereby turning waste into prosperity and ensure a clean and healthy environment;
- The processing of green waste into composting and the marketing thereof to generate income in order to be self-sustainable, where the team in Veldrif have produced the first volumes of good compost in middle 2019;
- Transfer of skills in terms of the recycling processes from the collecting stage until marketing stage and managing the finance management side thereof in order to be self-sustainable;
- How to make profit from building rubble – brick manufacturing, filling material, sub base etc.;
- Investigate Waste to Energy initiatives; and
- Incineration in collaboration with PPC – Standards and requirements for waste in order to adhere to the standards for the incineration processes.

The funds allocated is indicated in the table below.

TABLE 80: FUNDS ALLOCATED FOR WASTE

OUTCOME	YEAR	CAPITAL	OPERATIONAL	PERSONNEL	TOTAL	NEW SCENARIO TOTAL	CAPITAL	OPERATIONAL	PERSONNEL	TOTAL
SD1: Stedeband BERG-RIVIER	2017	16666	10000	23334	50000	30000	10000	8000	12000	30000
	2018	16666	10000	23334	50000	40000	14000	10000	16000	40000
	2019	20000	12000	28000	60000	30000	8000	6000	16000	30000
	2020	20000	12000	28000	60000	40000	16000	8000	16000	40000
	2021	20000	12000	28000	60000	40000	12000	12000	16000	40000
	Total	93332	56000	130668	280000	180000	60000	44000	76000	180000

### 3.2.4.2 SERVICE STATISTICS

Basic level services for refuse removal are defined as free weekly refuse removal. All households in urban areas, including Goedverwacht and Wittewater, have access to weekly refuse removal services. Business and other waste are removed on request.



TABLE 81: SOLID WASTE SERVICE DELIVERY LEVELS

DESCRIPTION	2016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL
<b>SOLID WASTE REMOVAL: (MINIMUM LEVEL)</b>			
Removed at least once a week	9 426	9 523	9 515
<b>Minimum Service Level and Above sub-total</b>	9 426	9 523	9 515
<b>Minimum Service Level and Above percentage</b>	100 %	100%	100 %
<b>SOLID WASTE REMOVAL: (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>	0	0	0
<b>Below Minimum Service Level percentage</b>	0%	0%	0%
<b>Total number of households</b>	9 426	9 523	9 515

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## 3.2.4.3 HUMAN RESOURCE CAPACITY

The vacancy rate for Waste Management Services was 47.44 % as at 30 June 2019. Management assigned to the function are responsible for all aspects of service delivery.

TABLE 82: HUMAN RESOURCES: WASTE MANAGEMENT SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
78	41	37	47.44 %

The relative high level of vacancies is within the worker component and not within management. These values represent number of posts filled versus posts vacant on the organogram approved by Council during 2017.

## 3.2.4.4 FINANCIAL PERFORMANCE

TABLE 83: FINANCIAL PERFORMANCE (OPERATIONAL): SOLID WASTE REMOVAL

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	5 377 500.00	5 440 168.00	6 461 472.00	18.77%

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Other:	14 876 051.00	16 177 008.00	18 327 400.30	13.29%
Repairs & Maintenance:	581 000.00	858 000.00	741 487.60	-13.58%
<b>Total Operational Expenditure</b>	<b>20 834 551.00</b>	<b>22 475 176.00</b>	<b>25 530 359.90</b>	13.59%
<b>Total Operational Revenue</b>	<b>-25 486 329.00</b>	<b>-26 371 275.00</b>	<b>-26 257 073.50</b>	-0.43%
<b>Net Operational Expenditure</b>	<b>-4 651 778.00</b>	<b>-3 896 099.00</b>	<b>-726 713.60</b>	-81.35%

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TABLE 84: FINANCIAL PERFORMANCE (OPERATIONAL): STREET CLEANING

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	2 916 200.00	3 265 200.00	3 282 449.00	0.53%
Other:	60 113.00	67 000.00	51 784.70	-22.71%
Repairs & Maintenance:	20 000.00	20 000.00	9 785.10	-51.07%
<b>Total Operational Expenditure</b>	<b>2 996 313.00</b>	<b>3 352 200.00</b>	<b>3 344 018.80</b>	-0.24%
<b>Total Operational Revenue</b>	-	-	-	
<b>Net Operational Expenditure</b>	<b>2 996 313.00</b>	<b>3 352 200.00</b>	<b>3 344 018.80</b>	-0.24%

*Audited Annual Financial Statements 2018/19*

TABLE 85: CAPITAL FINANCIAL PERFORMANCE (CAPITAL): WASTE MANAGEMENT SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Fence at Transfer Station	250 000,00	250 000,00	486 486,82	94.59%
Establish composting facility (VD/PB)	100 000,00	100 000,00	107 275,21	7.28%
Enlarge recycling building (VD/PB)	700 000,00	700 000,00	756 660,57	8.09%
Refuse Bins and stands	30 000,00	30 000,00	29 547,99	-1.51%
Furniture & Equipment - Refuse Removal	6 000,00	6 000,00	5 909,70	-1.51%
Tools	6 000,00	6 000,00	4 639,13	-22.68%
Refuse carts	10 000,00	10 000,00	9 600,00	-4.00%
<b>TOTAL</b>	<b>1 102 000.00</b>	<b>1 102 000.00</b>	<b>1 400 119,42</b>	<b>27.05%</b>

*Audited Annual Financial Statements 2018/19*

### 3.2.4.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

The following challenges and highlights have been experienced in the financial year:

- All landfill sites are closed for dumping of household and business refuse. Only building rubble and garden refuse are accepted which are then used for covering and composting material on the landfill sites;

- Improving recycling volumes in order to lower transport cost;
- The stedeband program with Heist-op-den-Berg and the Federal Government of Belgium (VVSG);
- Bergrivier Municipality installed 2 of the 7 weighbridges installed in the Western Cape Region and is one of the municipalities adhering to legislation in terms of the NEMWA 2008 (Act 59 of 2008); and
- Finishing of the new recycling facility at Piketberg.

Challenges that still need to be addressed include:

- The reduction of all types of refuse (at source);
- The roll out of an aggressive and effective recycling program;
- Rehabilitation of closed waste disposal sites;
- Implementation of waste to energy programmes;
- Composting of organic waste;
- Processing of clean building rubble into feasible projects; and
- The successful roll out and strict administration and reporting procedures of the Heist-op-den-Berg project.

### 3.2.5 HUMAN SETTLEMENTS (HOUSING)

#### 3.2.5.1 INTRODUCTION

Housing is a concurrent National and Provincial competency in terms of Schedule 4A of the Constitution. Section 10 of the Housing Act, 1997 (Act 107 of 1997) sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of co-operation between the Municipality and the Provincial and National Departments responsible for Housing.

#### 3.2.5.2 SERVICE STATISTICS

In terms of the Department of Human Settlements Circular C10 of 2015, dated 20 May 2015, from the Western Cape Department of Human Settlements, "Age-based prioritisation" has been introduced as a new element of the Provincial Framework Policy for the Selection of Housing Beneficiaries in the ownership-based subsidy projects. According to the Socio-Economic Profile of 2019 states that 71 518 people reside in Bergrivier Municipal Area with a population growth of an estimated 0.2 % per year of which 7.9 % are registered on our Housing database.

A number of key challenges remain, amongst other the scarcity of suitable land for housing and the high cost of bulk and service infrastructure. The Municipality was able to commence with the implementation of its Housing Pipeline that was approved in the 2014/15 financial year, and is continuously revising the infrastructure and housing pipeline on a yearly basis. A new Housing Pipeline is to be approved in principle in the 2019/20 financial year.

The remaining 89 units of the 107 – project in Velddrif received final approval in January 2019 and 30 units

was completed on 30 June 2019. The remaining 59 units will in all likelihood be completed in the new financial year. The Eendekuil-23 Project was increased to 40 units by Minister of Human Settlements, Mr. Binginkosi Madikizela. The Department of Human Settlements are in the process of considering the application and a Professional Resource Team will be appointed in the next financial year to finalize the project.

The municipality is also seeking to implement a viable GAP – project that will be addressed by the Finance Linked Individual Subsidy Programme on two separate erven in Piketberg. A planning application was submitted to the Department of Human Settlements which are in process for consideration. The municipality also submitted planning applications for two (IRDP) Integrated Residential Development Programme projects, being the 171 in Porterville and 156 Piketberg. The following figure provides an overview of the Municipality’s housing needs as at 30 June 2019.

TABLE 86: BERGRIVIER MUNICIPALITY HOUSING WAITING LIST AS AT 30 JUNE 2019

	UNDER 35yr	35-59yr	60 YR & OLDER	TOTAL
AURORA	28	45	9	82
EENDEKUIL	63	168	38	269
GOEDVERWAGHT	4	14	3	21
PIKETBERG	568	1 383	207	2 170
PORTERVILLE	279	876	131	1 287
REDELINGHUYS	67	160	25	253
VELDDRIF	548	610	51	1 209
WITTEWATER	3	6	3	12
OTHER	3	17	2	22
<b>TOTAL</b>	<b>1 563</b>	<b>3 279</b>	<b>469</b>	<b>5 325</b>

The table above categorizes the Bergrivier Municipalities database into ages in order to have a bird’s eye view on the applicants per age group. The largest increase in applicants was in Piketberg with 193 in the age group of (35–59), Porterville with 170 in the age group of (35-59) and Velddrif with 105 in the age group of (35-59).

The growth in the database applicants in Piketberg and Porterville can be attributed to the visible growth in local job opportunities and the housing department visits all towns annually to upgrade applicant information and register new applicants. Velddrif’s lower growth is attributed to the 278 housing opportunities of the past three years. The growth in our database corresponds to the general population growth in Bergrivier Municipal area.

TABLE 87: BACK YARD DWELLERS IN BERGRIVIER MUNICIPAL AREA

BACK YARD DWELLERS 2018/2019	TOTAL
PIKETBERG	404
PORTERVILLE	105
REDELINGHUYS	17
VELDDRIF	616
EENDEKUIL	28
AURORA	2
<b>TOTAL</b>	<b>1 172</b>

Both within Bergrivier Municipality and nationally, it is recognised that backyard dwellings play a significant role in addressing housing needs. Backyard dwellings provide an affordable and accessible alternative form of accommodation/ shelter to mainly the poorer sectors of the community or serve as an alternative form of housing where other forms of housings are not available/accessible. There are two distinct aspects to the backyard dwelling phenomenon that are important to be recognised:

- Back yard dwellings form part of the housing rental stock, but do not promote security of tenure; and;
- Back yard dwellings vary in terms of the quality of accommodation and access to basic services is in many cases inadequate and very expensive.

Bergrivier Municipality is currently experiencing a huge problem with the influx and growing of back yard dwellers within the municipal area, especially in Piketberg and Velddrif. The fastest growth in back yard dwellers is currently in Velddrif due to the work potential offered by the IDZ in Saldanha Bay to a younger workforce of which a great percentage is black South Africans. Not all of those back yard dwellers meet the criteria to register on the database. The housing department conducts an annual survey of backyard residents in the Bergrivier Municipal Area.

### 3.2.5.3 HUMAN RESOURCE CAPACITY

The vacancy rate for Human Settlements was 25 % as at 30 June 2019. Management assigned to the function are responsible for all aspects of service delivery.

TABLE 88: HUMAN RESOURCES: HUMAN SETTLEMENT (HOUSING)

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
4	3	1	25 %

### 3.2.5.4 FINANCIAL PERFORMANCE

TABLE 89: FINANCIAL PERFORMANCE (OPERATIONAL): HUMAN SETTLEMENTS (CORE)

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	1 215 200.00	1 233 200.00	1 267 033.80	2.74%
Other:	146 767.00	116 676.00	96 083.50	-17.65%
Repairs & Maintenance:	13 215.00	27 084.00	22 522.90	-16.84%
<b>Total Operational Expenditure</b>	<b>1 375 182.00</b>	<b>1 376 960.00</b>	<b>1 385 640.20</b>	0.63%
<b>Total Operational Revenue</b>	<b>-42 318.00</b>	<b>-42 318.00</b>	-	-100.00%
<b>Net Operational Expenditure</b>	<b>1 332 864.00</b>	<b>1 334 642.00</b>	<b>1 385 640.20</b>	3.82%

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TABLE 90: FINANCIAL PERFORMANCE (OPERATIONAL): HUMAN SETTLEMENTS (NON CORE)

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:				
Other:	7 014 582.00	3 935 264.00	32 433.60	-99.18%
Repairs & Maintenance:	8 215.00	140.00	140.00	0.00%
<b>Total Operational Expenditure</b>	<b>7 022 797.00</b>	<b>3 935 404.00</b>	<b>32 573.60</b>	-99.17%
<b>Total Operational Revenue</b>	<b>-7 000 000.00</b>	<b>-3 900 000.00</b>	-	-100.00%
<b>Net Operational Expenditure</b>	<b>22 797.00</b>	<b>35 404.00</b>	<b>32 573.60</b>	-7.99%

*Audited Annual Financial Statements 2018/19*

TABLE 91: CAPITAL FINANCIAL PERFORMANCE (CAPITAL): HUMAN SETTLEMENTS

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Furniture & Equipment - Housing	8 000,00	7 458,00	7 457,04	-0.01%
<b>TOTAL</b>	<b>8 000.00</b>	<b>7458.00</b>	<b>7 457,04</b>	<b>-0.01%</b>

*Audited Annual Financial Statements 2018/19*

### 3.2.5.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

#### **Performance highlights include:**

- The finalization of title deeds of the Hostel, 89, and 107 – projects Velddrif;
- The increase of opportunities to 40 for the Eendekuil – 23 Project;
- Transfer of old municipal stock in Piketberg by title deed to beneficiaries;
- Registering the military veterans in Porterville and Piketberg on the database;
- The commencing finalising of the first 30 units on the 107 – project Velddrif;

- Housing Consumer Education was done for beneficiaries of the 107 – project Velddrif;
- The establishing of a farm-dweller forum (farmworker representatives, councillors and officials of Bergrivier Municipality and the Department of Human Settlements). A total of 48 farms in Bergrivier participated in survey the gathering of their farm dwellers information enabling the Department of Human Settlements and Bergrivier Municipality to ensure that they will be able to participate in future projects;
- Bergrivier municipality has also successfully negotiating the purchase of two pieces of land for (Porterville R5 000 000 and Piketberg R 11 000 000) respectively and has applied for funding at the Department of Human Settlements for consideration;
- Handover of title deeds by Minister of Human Settlements Binginkosi Madikizela on 1 November 2019.

***Challenges that still need to be addressed include:***

- Staff shortages (only 3 fulltime employees in the housing department);
- Cost of bulk services and the back log of engineering infrastructure;
- The effect and cost of the provision of (IRDP) Integrated Residential Development Programme housing (low cost – indigent) on the municipal budget and resources;
- Lack of suitable and available land for housing – the municipality do not have enough land available;
- The high cost of private owned land in certain towns – the only big pieces of land is available from surrounding farmers and it is costly because of the scarcity of available land;
- The influx of homeless people causing strain on municipal resources;
- Growing demand for housing;
- To always stay alert to prevent and avoid illegal land invasions by backyard dwellers;
- To provide sustainable housing opportunities to backyard dwellers;
- High development and construction-cost in our municipal area (it's fairly remote from the major urban centres); and
- The optimal utilization of vacant land for infill-housing.



*Handover of Title Deeds by Minister Madikizela : 1 Nov 2018*



*Handover of Title Deed to Mr. Daniel Williams by Minister Madikizela*



*Executive Mayor Ald Ray van Rooy and Ms. Lawrence meeting the military veterans in Piketberg in May 2019*



Construction of the Velddrif 107 – Project March 2019

Housing Consumer Education conducted by Department of Human Settlement for the beneficiaries of the 107 –project Velddrif - 9

May 2019

Cllr Small hand over the key to Neville & Maria Williams in Velddrif on 29 July 2019

Beneficiaries receiving their keys in Velddrif with Cllrs du Plooy & Small on 29 July 2019



### 3.2.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### 3.2.6.1 INTRODUCTION

The Municipality is required to use its equitable share which it receives from National Government in terms of the Division of Revenue Act (DoRA) for the provision of basic services to its community. Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity, waste management and deduction in property rates.

Basic level services to households are defined by National Government as an electricity connection at the dwelling, a public standpipe for water within 200 m of the dwelling, and a ventilated pit latrine (VIP) for sanitation. National policy also requires that poor households should receive 50 kWh of free basic electricity, 6 Kl of free basic water and free weekly refuse removal. The Municipality has an indigent policy which it revises each year with the budget and maintains an indigent register. Indigent households are defined as households where the joint income does not exceed 2 state pensions plus 40 %.

The following services are subsidised to indigent households by Bergrivier Municipality:

- 50 kWh electricity per month (not transferable from one month to another month);
- Sewerage fees or the fees payable equal to the tariff determined;
- Rates payable to a maximum amount R15 000 and 60 % calculated as per the rates policy;
- 6 kl plus the basic charge of water per month; and
- Fees for refuse removal.

All the new low cost housing schemes have immediate access to free basic services. Bergrivier Municipality also assist indigent households situated in areas where Eskom is the service provider for electricity with free basic electricity in terms of the service agreement entered into between Bergrivier Municipality and Eskom. It is imperative to emphasize that the Council of Bergrivier Municipality took a decision to link indigent grants to a responsibility. All households that qualify for indigent grants and with children in school, need to submit the school reports of their children as proof that the children are in fact in school.

#### 3.2.6.2 SERVICE STATISTICS

In the past, free basic water and electricity were supplied to all households irrespective of their financial position. From 2013/14 free basic water was only supplied to indigent households and from 2014/15 free basic electricity was supplied to indigent households and households who make use of a 20 AMP circuit breaker. Free basic refuse removal and sanitation are provided to indigent households only.

TABLE 92: HOUSEHOLD ACCESS TO FREE BASIC SERVICES

YEAR	NUMBER OF HOUSEHOLDS				
	TOTAL HOUSEHOLDS	FREE BASIC WATER ACCESS	FREE BASIC SANITATION ACCESS	FREE BASIC ELECTRICITY ACCESS	FREE BASIC REFUSE ACCESS
2016/17	9 426	1 879	1 681	1 706	1 711
2017/18	9 523	1 746	1 534	681	1 753
2018/19	9 515	1 992	1 758	521	1 992

30 June 2019 Billing Reports (\*Figure excludes septic tank users)

### 3.2.6.3 FINANCIAL PERFORMANCE

TABLE 93: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED

SERVICES DELIVERED	20016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL
Property Rates	3 668 841	1 886 840	1 258 518
Waste Management (Solid waste)	3 714 457.99	3 875 234	4 448 551
Waste Water (Sanitation)	2 482 100.95	2 572 211	2 954 401
Water	1 647 484.54	1 602 395	1 908 529
Electricity	828 096.82	749 743	373 211
<b>TOTAL</b>	<b>12 142 762.00</b>	<b>10 686 423.00</b>	<b>10 943 210</b>

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### 3.2.6.4 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Indigent households place enormous pressure on the financial resources of the Municipality, and the continual increase in indigent households will challenge the long-term financial sustainability of the Municipality. This is exacerbated by the fact that the equitable share does not increase equitably to the number of indigents. In the 2018/19 financial year 1 988 households qualified for indigent grants and the Municipality has stringent control measures and monitoring of indigents registered with the Municipality.

## 3.3 ROADS AND STORM WATER

### 3.3.1 ROADS

#### 3.3.1.1 INTRODUCTION

Road services are rendered by the Technical Services Directorate. The Municipality has 200 km of road of which 179 kilometres are paved/hardened and 21 kilometres are gravel roads. The Municipality focuses on maintaining the existing road network to ensure that road standards do not deteriorate to the extent that building of new roads are required. A maintenance programme has been implemented and is regularly

updated to prioritise resurfacing/resealing needs. Gravel roads are graded regularly and there is an on-going pothole repair programme in place to ensure little to no harm comes to the base layers. Alternative construction methods are being investigated to upgrade gravel roads in low cost housing projects (MIG) where funding has been acquired for projects in Redelinghuys and Aurora and Bergrivier Municipality has invested in a Pavement Management System to facilitate road maintenance.

### 3.3.1.2 SERVICE STATISTICS

TABLE 94: GRAVEL ROAD INFRASTRUCTURE

FINANCIAL YEAR	TOTAL KM GRAVEL ROADS	KM NEW GRAVEL ROADS CONSTRUCTED	KM GRAVEL ROADS UPGRADED TO TAR/ PAVED	KM GRAVEL ROADS GRADED/MAINTAINED
2016/17	19.7	0	2.0	19.7
2017/18	18.2	0	1.5	18.2
2018/19	20.4	0	0.6	17.6

TABLE 95: PAVED/HARDENED ROAD INFRASTRUCTURE

FINANCIAL YEAR	TOTAL KM PAVED ROADS	KM NEW PAVED ROADS CONSTRUCTED	KM GRAVEL ROADS UPGRADED TO HARDENED/ PAVED	KM PAVED ROADS MAINTAINED
2016/17	168.3	0	2.0	19.7
2017/18	169.8	0	1.5	18.2
2018/19	179.6	0	0.6	6.1

### 3.3.1.3 HUMAN RESOURCE CAPACITY

The vacancy rate in the Roads Section was 30.9 % as at 30 June 2019. Management assigned to the function are also responsible for other functions.

TABLE 96: HUMAN RESOURCES: ROADS

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
55	38	17	30.9 %

The relative high level of vacancies is within the worker component and not within management. These values represent number of posts filled vs. posts vacant on the organogram approved by Council during 2017.

## 3.3.1.4 FINANCIAL PERFORMANCE

TABLE 97: FINANCIAL PERFORMANCE (OPERATIONAL): ROAD SERVICES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	18 131 000.00	17 217 000.00	17 660 850.40	2.58%
Other:	6 993 700.00	7 059 014.00	6 182 732.70	-12.41%
Repairs & Maintenance:	1 578 000.00	1 589 600.00	2 088 146.30	31.36%
<b>Total Operational Expenditure</b>	<b>26 702 700.00</b>	<b>25 865 614.00</b>	<b>25 931 729.40</b>	0.26%
<b>Total Operational Revenue</b>	<b>-1 653 967.00</b>	<b>-1 666 374.00</b>	<b>-1 592 582.50</b>	-4.43%
<b>Net Operational Expenditure</b>	<b>25 048 733.00</b>	<b>24 199 240.00</b>	<b>24 339 146.90</b>	0.58%

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TABLE 98: FINANCIAL PERFORMANCE (CAPITAL): ROAD SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Construction/Design of roads	175 000,00	155 000,00	157 955,79	1.91%
Construction/Design of roads	175 000,00	237 200,00	234 316,59	-1.22%
Street name curb stones	50 000,00	40 000,00	34 609,34	-13.48%
Traffic calming measures (Speed bumps) Bring Traffic	200 000,00	200 000,00	140 351,62	-29.82%
Harden pavements (Wyk 3 & 4)	200 000,00	195 000,00	155 082,42	-20.47%
Pave sidewalks (PV - 150 & VD - 200)	350 000,00	280 000,00	332 419,27	18.72%
Construction of roads: RDP Houses	350 000,00	350 000,00	355 890,75	1.68%
Verleng Calendullastraat	300 000,00	65 000,00	5 217,40	-91.97%
Cement ditches in Aurora	60 000,00	60 000,00	258 877,24	331.46%
Furniture & Equipment - Roads	8 000,00	10 800,00	30 935,29	186.44%
Radios	20 000,00	20 000,00	19 080,00	-4.60%
Tools	60 000,00	57 200,00	55 540,07	-2.90%
Tracking Devices	50 000,00	73 900,00	65 915,37	-10.80%
Voertuigvervanging	1 870 000,00	1 996 100,00	1 989 095,16	-0.35%
Aankoop van Vragmotor ( Tipper)	550 000,00	785 000,00	780 622,00	-0.56%
Reseal/Construction of streets	150 000,00	150 000,00	168 915,86	12.61%
Reseal/Construction of streets	150 000,00	150 000,00	145 776,95	-2.82%
Reseal/Construction of streets	300 000,00	300 000,00	236 767,82	-21.08%
Reseal/Construction of streets	300 000,00	300 000,00	360 880,84	20.29%
Reseal/Construction of streets	100 000,00	100 000,00	99 065,22	-0.93%
Reseal/Construction of streets	600 000,00	600 000,00	497 643,74	-17.06%
Reseal/Construction of streets	200 000,00	200 000,00	199 171,48	-0.41%
Redelinghuys Aandblomstraat	-	106 700,00	155 978,10	46.78%
Leveling of Noordhoek Pavements	-	200 000,00	215 911,66	7.96%
Hardening of Pavements - Walking Routes	-	94 050,00	94 038,67	-0.01%

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
<b>TOTAL</b>	<b>6 218 000.00</b>	<b>6 725 950.00</b>	<b>6 790 058,65</b>	<b>0.95%</b>

*Audited Annual Financial Statements 2018/19*

### 3.3.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- Regular maintenance of existing asphalt/paved roads which minimise potholes and extend the life of the road (42 754 m<sup>2</sup>);
- Regular grading of gravel roads; and



- Construction of roads at low cost housing Piketberg

Challenges that still need to be addressed include:

- The upgrading of all gravel roads to paved/hardened standard, especially in our smaller towns.

### 3.3.2 STORM WATER

#### 3.3.2.1 INTRODUCTION

Storm water management services are rendered by the Technical Services Directorate. Bergvriër Municipality has a Storm Water Management Plan that was compiled by V&V Consulting Engineers. Priority areas have been identified in the first phase and all future projects will be based on this plan.

#### 3.3.2.2 SERVICE STATISTICS

TABLE 99: STORM WATER INFRASTRUCTURE

FINANCIAL YEAR	TOTAL KM STORM WATER MAINTAINED	KM NEW STORM WATER MEASURES
2016/17	41.8	0.3
2017/18	41.8	0
2018/19	41.8	1.7

#### 3.3.2.3 FINANCIAL PERFORMANCE

TABLE 98: FINANCIAL PERFORMANCE (OPERATIONAL) STORM WATER SERVICES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	472 900.00	243 000.00	194 205.80	-20.08%
Other:	551 362.00	479 266.00	480 396.30	0.24%
Repairs & Maintenance:	25 000.00	25 000.00	19 973.80	-20.10%
<b>Total Operational Expenditure</b>	<b>1 049 262.00</b>	<b>747 266.00</b>	<b>694 575.90</b>	<b>-7.05%</b>
<b>Total Operational Revenue</b>				
<b>Net Operational Expenditure</b>	<b>1 049 262.00</b>	<b>747 266.00</b>	<b>694 575.90</b>	<b>-7.05%</b>

*Audited Annual Financial Statements 2018/19*

TABLE 100: FINANCIAL PERFORMANCE (CAPITAL): STORM WATER SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Stabilise "Wintervoor" (Flood prevention)	35 000,00	25 000,00	24 870,58	-0.52%
Construction of storm water channels at low cost houses	230 000,00	232 050,00	212 835,57	-8.29%
Low water bridge: Park Street	10 000,00	10 000,00	9 975,11	-0.25%
Furniture & Equipment - Stormwater Management	5 000,00	5 000,00	4 570,54	-8.59%
Upgrading/Construction of bridges in Porterville	-	200 000,00	200 000,00	0.00%
<b>TOTAL</b>	<b>2 80 000.00</b>	<b>4 72 050.00</b>	<b>452 251,80</b>	<b>-4.19%</b>

*Audited Annual Financial Statements 2018/19*

### 3.3.2.4 HUMAN RESOURCE CAPACITY

The vacancy rate in the Storm Water Section was 6.7 % as at 30 June 2019. Management assigned to the function are also responsible for other functions.

TABLE 101: HUMAN RESOURCES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
15	14	1	6.7 %

The relative high level of vacancies is within the worker component and not within management. These values represent number of posts filled versus posts vacant on the organogram approved by Council during 2017.

### 3.3.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- Alleviate storm water problems in Ward 4.



*Storm water channel automatic overflow**Newly design storm water inlets in steep areas*

Challenges that still need to be addressed include:

- The implementation of the Storm Water Master Plan for Piketberg is a high priority, but a lack of sufficient funding (own funding) delays the time frame of construction. Applications for external funding were unsuccessful to date.
- Ongoing storm water issues and in various wards especially ward 4, Piketberg.

### 3.4 PLANNING AND DEVELOPMENT

#### 3.4.1 PLANNING AND DEVELOPMENT (SPATIAL PLANNING)

##### 3.4.1.1 INTRODUCTION

Spatial Planning and Land Use Management services are rendered by the Corporate Services Directorate and done in accordance with National, Provincial, Municipal legislation, National and Provincial directives and Council policy and aims to facilitate sustainable urban and rural development. In addition, Planning and Development include all aspects pertaining to the management of municipal immovable property (land).

##### 3.4.1.2 SERVICE STATISTICS

The following table indicates the various planning applications that were finalised during the 2018/19 financial year compared to the statistics of the previous 2017/18 financial year. Overall more applications have been processed during this financial year compared to the previous year.

TABLE 102: APPLICATIONS FOR LAND USE DEVELOPMENT

DETAIL	TOWN	SUBDIVISIONS		REZONINGS		CONSENT USES		DEPARTURES		REMOVAL OF RESTRICTIONS		TOTALS	
		2018/2019	2017/18	2018/2019	2017/18	2018/2019	2017/18	2018/2019	2017/18	2018/2019	2017/18	2018/2019	2017/18
Planning applications received	<b>TOTAL</b>	<b>17</b>	<b>14</b>	<b>17</b>	<b>14</b>	<b>25</b>	<b>31</b>	<b>25</b>	<b>27</b>	<b>17</b>	<b>9</b>	<b>101</b>	<b>95</b>
	Piketberg	9	2	7	5	11	16	10	10	4	6	41	39
	Porterville	0	0	3	3	5	8	1	6	0	0	9	17
	Aurora	0	2	0	0	0	1	0	0	0	0	0	3
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	3	4	1	1	1	0	1	3	3	0	9	8
	Laaiplek	3	1	4	5	4	3	9	6	8	3	28	18
	Dwarskersbos	0	1	1	0	2	0	4	1	1	0	8	2
	Redelinghuys	1	0	0	0	0	0	0	0	0	0	1	0
	Farm	1	4	1	0	2	4	0	1	1	0	5	9
Applications finalised/resolved	<b>TOTAL</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>17</b>	<b>33</b>	<b>11</b>	<b>26</b>	<b>20</b>	<b>13</b>	<b>8</b>	<b>98</b>	<b>69</b>
	Piketberg	7	3	8	2	23	1	14	5	5	2	57	13
	Porterville	1	1	2	3	4	3	3	6	0	0	10	13
	Aurora	1	0	0	0	1	0	0	0	0	0	2	0
	Eendekuil	0	0	0	0	1	0	0	0	0	0	1	0
	Velddrif	1	5	2	3	0	2	3	4	2	2	8	16
	Laaiplek	2	1	2	8	2	4	4	3	6	4	16	20
	Dwarskersbos	0	1	0	0	0	0	0	1	0	0	0	2
	Redelinghuys	0	1	0	1	0	0	0	0	0	0	0	2
	Farm	0	1	0	0	2	1	2	1	0	0	4	3
<b>Applications</b>	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>

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DETAIL	TOWN	SUBDIVISIONS		REZONINGS		CONSENT USES		DEPARTURES		REMOVAL OF RESTRICTIONS		TOTALS	
		2018/2019	2017/18	2018/2019	2017/18	2018/2019	2017/18	2018/2019	2017/18	2018/2019	2017/18	2018/2019	2017/18
<b>withdrawn</b>	Piketberg	0	0	0	0	1	0	0	0	0	0	1	0
	Porterville	0	0	0	0	0	0	0	0	0	0	0	0
	Aurora	0	0	0	0	0	0	0	0	0	0	0	0
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	0	0	0	0	0	0	0	0	0	0	0	0
	Laaiplek	0	0	0	0	0	0	0	0	0	0	0	0
	Dwarskersbos	0	0	0	0	0	0	0	0	0	0	0	0
	Redelinghuys	0	0	0	0	0	0	0	0	0	0	0	0
	Farm	0	0	0	0	0	0	0	0	0	0	0	0
<b>Applications pending or outstanding</b>	<b>TOTAL</b>	<b>10</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>21</b>	<b>11</b>	<b>15</b>	<b>7</b>	<b>4</b>	<b>44</b>	<b>49</b>
	Piketberg	5	1	2	3	5	12	5	6	1	2	18	24
	Porterville	0	0	1	1	0	4	0	2	0	0	1	7
	Aurora	0	1	0	0	0	1	0	0	0	0	0	2
	Eendekuil	0	0	0	0	0	0	0	0	0	0	0	0
	Velddrif	2	1	0	1	1	0	1	3	1	0	5	5
	Laaiplek	1	0	2	1	2	1	3	2	4	2	12	6
	Dwarskersbos	0	0	0	0	0	0	2	0	0	0	2	0
	Redelinghuys	1	0	0	0	0	0	0	0	0	0	1	0
	Farm	1	0	1	0	2	3	0	2	1	0	5	5

## 3.4.1.3 HUMAN RESOURCE CAPACITY

The Department Planning and Environmental Management have: 3 Planning Officials, 1 Administrative Support Staff Member and 1 Environmental Official. There were no vacancies in the Department Planning and Environmental Management as at 30 June 2019.

TABLE 103: HUMAN RESOURCES: PLANNING AND DEVELOPMENT SERVICES

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
5	5	0	0 %

## 3.4.1.4 FINANCIAL PERFORMANCE

TABLE 104: FINANCIAL PERFORMANCE (OPERATIONAL): PLANNING AND DEVELOPMENT SERVICES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	3 114 000.00	2 944 000.00	3 091 538.50	5.01%
Other:	1 100 808.00	1 060 593.00	931 368.70	-12.18%
Repairs & Maintenance:	3 000.00	207.00	206.10	-0.43%
<b>Total Operational Expenditure</b>	<b>4 217 808.00</b>	<b>4 004 800.00</b>	<b>4 023 113.30</b>	0.46%
<b>Total Operational Revenue</b>	<b>-1 180 000.00</b>	<b>-1 210 000.00</b>	<b>-1 990 064.50</b>	64.47%
<b>Net Operational Expenditure</b>	<b>3 037 808.00</b>	<b>2 794 800.00</b>	<b>2 033 048.80</b>	-27.26%

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TABLE 105: FINANCIAL PERFORMANCE (CAPITAL): PLANNING AND DEVELOPMENT SERVICES

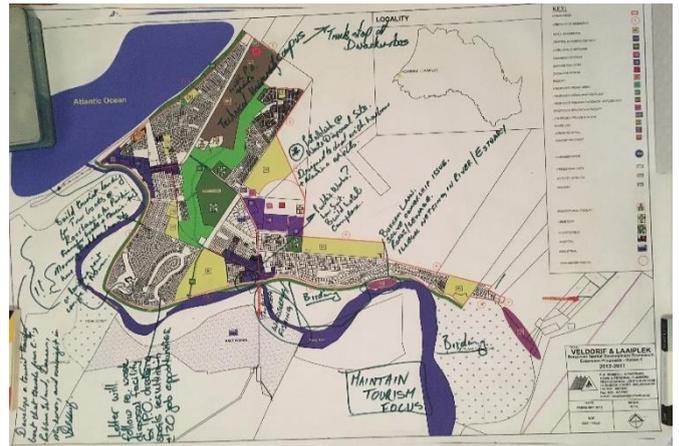
DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Regional Socio Projects (RSEP Funding)	1 000 000,00	1 000 000,00	1 000 191,22	0.02%
Purchasing of Erf in Piketberg	-	41 000,00	735 652,17	1694.29%
<b>TOTAL</b>	<b>1 000 000.00</b>	<b>1 041 000.00</b>	<b>1 735 843,39</b>	<b>66.75%</b>

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## 3.4.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- The Bergrivier Municipal Spatial Development Framework, 2018 (MSDF) has been compiled in terms of the provisions of the Municipal Systems Act, 2000 (MSA, Act 32 of 2000), the Spatial Planning and Land Use Management Act, 2013 (SPLUMA, Act 16 of 2013), the Western Cape Land Use Planning Act, 2014 (LUPA, Act 3 of 2014) and the Bergrivier Municipal By-Law Relating to Municipal Land Use Planning (the By-Law, as per PN 7910 of 6 April 2018). Approval of the Bergrivier MSDF was adopted by Council during their meeting held on 26 February 2019 in terms of the By-Law and approved as part of the



Municipal IDP on 26 March 2019.



Public participation session and example of public input.

- Bergrivier Municipality is part of the Western Cape Government Regional Socio-Economic Project (RSEP) Programme and obtained a funding allocation to the value of R 6.5 million through the programme over a three year period. During the 2017/18 financial the Municipality received R 1 million for the extension of Calendula Street through a former buffer area, which segregated residential neighbourhoods in Piketberg. During the 2018/19 financial year the second amount of R 1 million was transferred to the Municipality for the construction of an addition sidewalk at the Calendula Street extension as well as the establishment of an outdoor gym and paved pedestrian walkway within the integration zone that was identified in Piketberg. All projects were successfully completed. The remaining amount of R 4.5 million was allocated for further integration projects envisaged in the towns of Piketberg and Porterville during the 2019/20 financial year.



*Official opening of the Outdoor Gym*

Performance challenges include:

- The department's biggest challenge is to obtain funding for the implementation of the development proposals made in the spatial planning documents.

### 3.4.2 BUILDING CONTROL

#### 3.4.2.1 INTRODUCTION

Building control services are rendered by the Technical Services Directorate. Building control is an essential part of any municipality. Applications for all new structures and additions must be submitted to the Municipality in terms of Section 4 of the National Building Regulations (NBR). Building control ensures that the NBR and other relevant legislation are complied with. Building plans for structures of less than 500 m<sup>2</sup> are attended to within 30 days (if there are no delays such as heritage approval) and building plans for structures exceeding 500 m<sup>2</sup> are attended to within 60 days of application. The Department is headed by the Manager: Project Management and Building Control and 3 Building Control Officers who are stationed at each of the three larger towns, namely Velddrif, Piketberg and Porterville. Building plans are scrutinised by the Building Control Officers and plans are approved by the Engineer: Project Management.

In terms of section 160(2)(c) of the Constitution (1996) Council approved that an amnesty period be applicable until 30 June 2019 for all the owners of erven where there are illegal temporary structures in order to enable that owners to comply with prescribed application procedures. All customers of Bergrivier Municipality are encouraged to use the opportunity where applicable. Amnesty was lifted and residents were well informed of the approved new processes for informal structure applications.

#### 3.4.2.2 SERVICE STATISTICS

The following building plans were submitted during the financial year:

TABLE 106: BUILDING PLANS SUBMITTED DURING THE YEAR

TOWN	BUILDING PLANS APPROVED 2017/18			BUILDING PLANS APPROVED 2018/19		
	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL
Velddrif/Aurora/Dwarskersbos	319	10	329	215	30	245
Piketberg	130	9	139	123	12	135
Porterville	100	4	104	94	0	94
Redelinghuys	10	0	10	5	0	5
Eendekuil	18	0	18	20	1	21
Piketberg Rural Area	6	12	18	0	6	6
Goedverwacht	0	0	0	14	0	14

TOWN	BUILDING PLANS APPROVED 2017/18			BUILDING PLANS APPROVED 2018/19		
	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL	RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL
Witwaters	2	0	2	3	0	3
Porterville Rural Area	0	3	3	0	5	5
<b>TOTAL</b>	<b>585</b>	<b>38</b>	<b>623</b>	<b>474</b>	<b>54</b>	<b>528</b>

### 3.4.2.3 HUMAN RESOURCES

The table below reflects the Building Control Officers, but excludes the Engineer Project Management as he also deals with other aspects of project management within the Technical Services Directorate. There are currently no vacancies.

TABLE 107: HUMAN RESOURCES: BUILDING CONTROL

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
3	3	0	0 %

### 3.4.2.4 FINANCIAL PERFORMANCE

TABLE 108: FINANCIAL PERFORMANCE (OPERATIONAL): BUILDING CONTROL

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	1 853 300.00	1 785 300.00	1 742 875.30	-2.38%
Other:	139 840.00	139 878.00	103 872.80	-25.74%
Repairs & Maintenance:	1 000.00	1 000.00	216.00	-78.40%
<b>Total Operational Expenditure</b>	<b>1 994 140.00</b>	<b>1 926 178.00</b>	<b>1 846 964.10</b>	<b>-4.11%</b>
<b>Total Operational Revenue</b>	<b>-850 575.00</b>	<b>-851 000.00</b>	<b>-1 025 180.90</b>	<b>20.47%</b>
<b>Net Operational Expenditure</b>	<b>1 143 565.00</b>	<b>1 075 178.00</b>	<b>821 783.20</b>	<b>-23.57%</b>

*Audited Annual Financial Statements 2018/19*

TABLE 109: FINANCIAL PERFORMANCE (CAPITAL): BUILDING CONTROL

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Furniture & Equipment - Building Control	8 000,00	8 000,00	6 283,12	-21.46%
<b>TOTAL</b>	<b>8 000.00</b>	<b>8 000.00</b>	<b>6 283,12</b>	<b>-21.46%</b>

### 3.4.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

- Illegal building activities remain a challenge, but a positive turn of events is that more people are applying for approval to undertake minor building works. It is these minor building works which

constitute 80 % of illegal buildings.

- The implementation of Regulation XA in terms of National Building Regulations, 1997 (Act 103 of 1977), as amended and in terms of Renewable Energy is still a challenge and is currently being required as an approval condition.
- Building Deposits, including deposits for plans, that are not claimed timeously, remain a challenge.

### 3.4.3 LOCAL ECONOMIC DEVELOPMENT (LED)

#### 3.4.3.1 INTRODUCTION

Local economic development includes the attraction of investments into the municipal area, stimulation of small, medium and macro enterprises (SMME's), job creation, informal trading, tourism and various ad hoc local economic initiatives. Local economic development is currently one of the major focus areas of the Department of Strategic Services, although it is also a cross cutting priority that must be focussed on in all aspects of service delivery and development.

The impact of the initiatives undertaken over the last years led to Council establishing a Portfolio Committee for Economic Development that started with its mandate in November 2018. The first major task was the review of the Economic Development Strategy. The Economic Development Strategy identified four (4) pillars for economic development in Bergrivier Municipal Area, namely agriculture and agriprocessing, tourism, manufacturing and the development of small and medium enterprises. Various programmes have been developed to address these pillars as catalysts for economic growth.

#### 3.4.3.2 JOB CREATION (EXPANDED PUBLIC WORKS PROGRAMME)

One of the primary roles of local government is to create a climate that is conducive to local economic development. The Municipality does however seek to create work opportunities wherever it can. One such programme is the Expanded Public Works Programme (EPWP) which is a government programme aimed at the alleviation of poverty and unemployment. The programme aims to increase economic growth by improving skills levels through education and training. It also aims to provide an enabling environment for industry to flourish. The programme is based on Labour Intensive Methods of Construction (LIC) by contractors which will also enhance skills development. The Municipality created 548 work opportunities and 91 full-time equivalent through the EPWP programme.

The following table provides an overview of the total wages paid and number of jobs created in each town during the 2018/19 financial year.

TABLE 110: EXPANDED PUBLIC WORKS PROGRAMME: JOBS CREATED

QUARTER	DATES	FTE	WO
Q1	01 July 2018 – Sept 2019	1 192	298
Q2	01 October 2018 – December 2018	1 972	493
Q3	01 January 2019 – March 2019	1 952	488

QUARTER	DATES	FTE	WO
Q4	01 Apr 2019 – June 2019	2 132	533
	TOTAL	8 384	2 096

#### 3.4.3.3 INFORMAL TRADING

The Municipality provides multipurpose retail trading spaces at a rental of R 170 per month. Lease agreements run for a period of 12 months. The purpose of these facilities is to provide traders in the informal economic sector with the opportunity to trade in the central business zones. The following facilities are available:

- Piketberg: 32 trading rooms are provided
- Porterville: 22 trading rooms are provided

A process to further identify land and facilities for informal traders also commenced in Porterville, Velddrif (Noordhoek) and Ward 4 of Piketberg. The area is Velddrif (Noordhoek) is situated at the taxi rank and the taxi rank and part of the informal trading area have already been built. Further funding is required to complete the informal trading area in Velddrif. The area in Porterville is part of the RSEP programme for which funding has been allocated and will be located on the corner of Jakkalskloof and Voortrekker Road where the major pedestrian traffic is between Monte Bertha and the Central Business District.

#### 3.4.3.4 TOURISM

The Bergrivier Tourism Organisation (BTO) manages the tourism function on behalf of the Municipality. BTO has affiliated local tourism offices in Piketberg, Velddrif, Porterville and Goedverwacht. The Municipality provided BTO with a grant to the amount of R 1 808 300 to cover some of their operational costs during the financial year.

Since the last financial year, the BTO recorded a decrease in the number of emails (3 %) and walk-ins (21 %), as well as phone calls (18 %) by tourists. This disturbing trend was reflected in the broader Western Cape tourism arrival statistics and can be directly linked to the drought and increase in petrol prices. Feedback from leisure shows indicated the reluctance of the domestic market in choosing the Western Cape as a holiday destination. Good rainfalls during the winter season of 2018 saw a blooming flower season along the West Coast and tourism numbers increased considerably.

The following additional findings should also be mentioned:

- In terms of the origin of our domestic contacts, there was no change during the past year and the Western Cape remains the main source, followed by Gauteng and then Kwa-Zulu Natal.
- The significant decrease in the number of website visits from the previous period, can be contributed to a number of factors. Both Porterville and Piketberg upgraded their sites and were off line for short

periods; Velddrif's site was hacked; and the calculation of visits to the site was refined to the number of unique visitors only. Only the 2019-2020 period will give a true reflection of how website visits compare.

- Our domestic market remains the bigger shareholder of contacts with the offices, whilst the foreign market still lags behind. It was decided to focus on the foreign market during the coming year and promote tour packages to this segment of the market.

The Annual Report of the BTO is attached as **ANNEXURE 24**, which includes the BTO's promotional activities and campaigns held during the financial year, electronic marketing strategy and community development projects.

The BTO office was involved in the change project of ICLD (International Centre for Local Democracy: Sweden) of which the Municipal Manager and Strategic Manager were part of. The role of the BTO office was to empower the SMME's in Porterville on tourism as it was clear from a needs analysis that SMME's regarded tourism as an unknown field of business.

A very successful 'homestay' training took place in Goedverwacht during the year and a similar training programme is to be followed in Porterville. With the assistance of Abang Africa Travel, the BTO trained 21 home owners to convert the extra space in their homes into overnight facilities for cultural tourists seeking a community experience.

Events that were held and created a stimulus for economic growth included:

- In *Porterville paragliding* remains one of the most important local economic boosters. The summer season (October – March) sees a significant number of pilots and supporters converging on the town. Competitions attract both national and international visitors whose duration of stay (min. of six nights) exceeds all other regions. During December 2018 the Pre-World Cup Competition was held and Porterville Tourism provided some promotional gifts for the gathering. Banners were also made and was displayed at the town entrances.
- Piketberg held its first Piquet Festival in April 2019 which in concept replaced the Piketberg "Somermark" (Summer Market). This first effort was supported by approximately 500 people and shows great promise to increase in size and attendance.
- The *Piket-bo-Berg Cycle Challenge*, which takes place annually in September, is a well-supported item on the calendar. This year BTO sponsored the printing of posters and pamphlets, as well as a financial contribution. The event is growing in numbers and each year sees a greater presence on the national cycle calendar.
- Velddrif Tourism regularly hands out goodie bags to visitors, promoting the region and its products. Officials this year visited the resorts and handed out goody bags over December.
- The *Weskus Erfenis Makietie* which celebrates heritage and its conservation, and usually takes place in conjunction with Heritage Day in September, is organised by the SA Fisheries Museum in Laaiplek.

The 2018 Makietie, held on Saturday, 22 September 2018, was well attended and the BTO sponsored the posters and assisted with marketing.

- *Porterville Arts Weekend* was held the weekend of the 6<sup>th</sup> to the 7<sup>th</sup> of October 2018. A group of Porterville artists came up with this idea to attract visitors to the town by showcasing local art work. Tourism assisted with the marketing and sponsored the posters. A more comprehensive programme is anticipated for 2020.
- *Aurora's Agricultural Show* took place on the 25<sup>th</sup> August 2018 and attracted approximately 500 people to this small village.
- *West Coast Canoe Challenge* took place on the 9<sup>th</sup> February 2019 in Velddrif and has grown in popularity. It is the fourth year running and attracts more interest from amateur and professional paddlers, than some similar events.
- *Velddrif 1 Mile Swim*: This very young event is growing in size with participant levels standing at 74 for November 2018. Team support and spectators adds to the festive atmosphere enjoyed by both locals and visitors from across the province.

Regional tourism events, in partnership with the relevant town committees, included:

- The four towns each hosted a '*Liggiefees*' in December 2018 which is sponsored annually by the Bergrivier's Mayor's office and has become an annual institution.
- *Story-telling* – a very successful series of story-telling evenings was held in the region during March and April 2018. Attendance of these events confirms the theme's popularity. The event is organised in collaboration with each town's museum.
- The *Snoek & Patat Festival* took place the end of June 2019 and again attracted approximately 4 000 visitors to Goedverwacht.
- *Bergrivier Winter Carnival 2018* - The Bergrivier Winter Carnival (BWC) coincides with the last day of the Berg River Canoe Marathon, which ends in Velddrif. The BWC is a separate event and organised by the Bergrivier Winter Carnival Committee (BWCC) which consists of volunteers from the Velddrif community, Bergrivier Municipality, Bergrivier Tourism, Velddrif Tourism and the greater Velddrif business and commerce sector. The Winter Carnival took place in Velddrif on Saturday, 14<sup>th</sup> July 2018. Attendance increased from 4 400 to almost 6 000. The day was a great success and was made possible by the cooperation between the BWC committee and the Bergrivier Municipality.

#### 3.4.3.5 LED INITIATIVES

The following initiatives were undertaken by the Office of the Municipal Manager:

- **Development of Porterville as a Tourism Destination**

The development of Porterville as a tourism destination of choice is an ongoing programme. The process commenced with the ward committees of Wards 1 and 2 visiting Franschhoek in October 2017 to learn more about the development of Franschhoek as a successful best practise in changing the economic

future of the town from a small agricultural village into a tourism destination of choice.

The outcome of the visit was a workshop held on 1 December 2017 during which the precinct plan of Porterville and the development of Porterville as a tourism destination was discussed



*Members of Ward Committees 1 and 2 visiting Franschhoek*

The outcome of the workshop was the establishment of 3 working committees, namely:

**WORKING COMMITTEE 1:**

The main focus areas of Working Committee 1 is the regeneration of the main road and the development of a tourism route through Monte Bertha (“former apartheid area”). For the purposes of the regeneration of the main road, a competition was launched for the redesign of Voortrekker Road from Basson Street to Park Street. Local residents and tertiary institutions could partake and the closing date was 31 July 2018. An evaluation panel was selected and it was decided that the final design could be a combination of the proposals received.

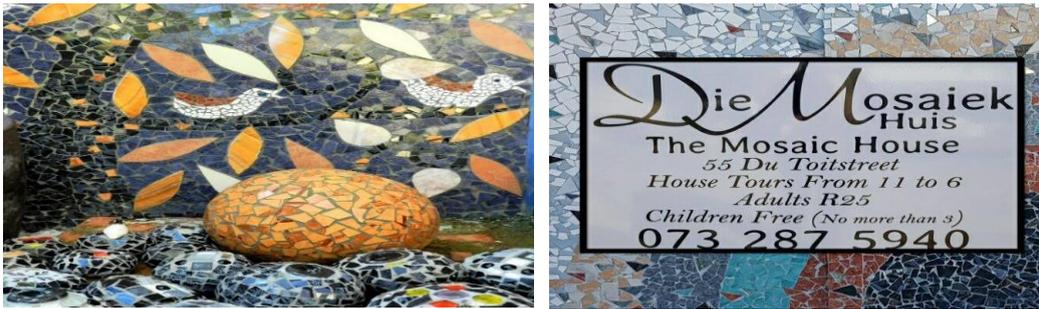
The winners were announced during a Council meeting in September 2018 and a design was undertaken internally combining the best of the ideas received. A business plan has been drafted and on completion of the costing, the business plan will be submitted to potential funders. It needs to be emphasized that



the approved Precinct Plan was used as the basis in determining the criteria for the competition

*The 3 winners announced for the regeneration of Voortrekker Road in Porterville*

The second component of the mandate of Working Committee 1 is the development of a tourism route through Monte Bertha. A tourism route was developed with specialists and local residents and Councillors and each site will be developed by portraying the historical significance in mosaic. A business plan was drafted and submitted for potential funding. The business plan entails the training of a number of young people in the art of mosaic and will be trained by the mosaic artist in town. The theme of

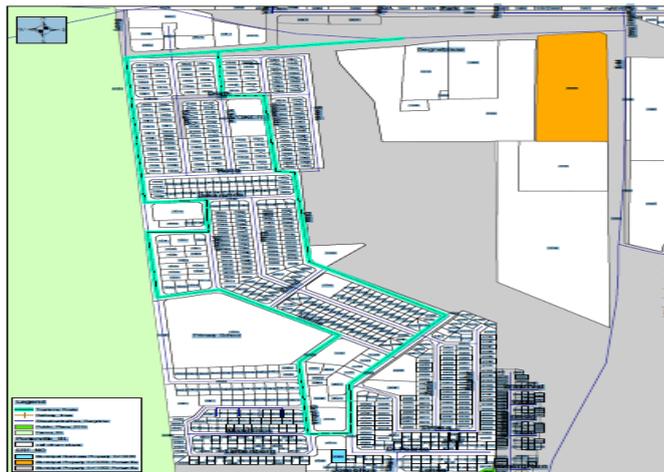


mosaic will be expanded into the main road as to ensure visual spatial integration.

*Training of youngsters to be undertaken by the owner of the Mosaic House in Porterville*

*Tourism route through Monte Bertha*

Challenges identified during the above process include the rethinking of the blue gum lane for a taxi rank and parking for trucks that transport farm workers during weekends. This area can potentially also be used to develop benches and braai areas with a similar mosaic theme. There is still a dire need for a private sector truck stop.



## WORKING COMMITTEE 2

Working Committee 2 is responsible for an audit of the tourism products in Porterville and a number of tourism assets and gaps for business development have been identified. This gap analysis will have to be reviewed given the number of tourism service providers entering the market in Porterville.

## WORKING COMMITTEE 3

The mandate of Working Committee 3 is the integration of the tourism strategy with neighbouring towns and provincial initiatives. No meetings took place yet due to capacity and once Working Committee 1's work load is under control, this initiative will commence. Preliminary discussions took place with Stellenbosch and Witzenberg Municipalities and the intent is to invite neighbouring municipality's tourism officials to a meeting with Working Committee 3 to discuss potential of co-operation and route development.

### **Change Project in Porterville: " PDI SMME's not part of the mainstream tourism in Porterville"**

The Municipal Manager, Adv Hanlie Linde and the Strategic Manager, Mrs Alletta van Sittert were selected to participate in the Swedish International Centre for Local Democracy-programme, with specific reference to a training programme on financing local government projects. It was an 18-month training programme (November 2017 – March 2019) and a change project was selected. The problem statement for the change project selected was "Previously Disadvantaged Individual SMME's are not part of the mainstream tourism in Porterville". A total of 43 SMME's from predominantly Monte Bertha participated in the programme and the causes and effects of the problem statement were analysed and activities conducted based on the real root causes, with significant successes. The end result of the programme was that a core of 12 SMME's were trained and decided to develop themselves and their businesses into tourism. These businesses range from guest houses, catering, homestays, tour



operators, tour guides, etc.

*The core of the SMME's participating in the programme*

*SMME's hard at work during the October Arts Festival in Porterville*

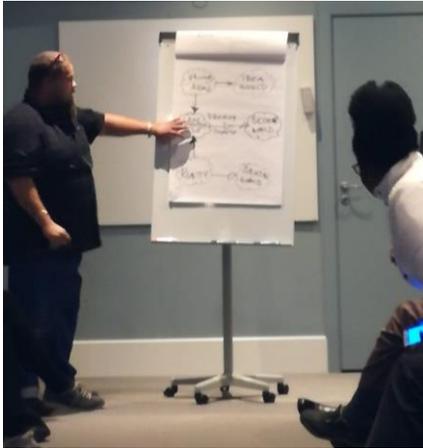
The ICLD programme consisted out of municipalities from 5 African countries participating in the



programme. These countries included South Africa (Bergrivier Municipality and Umlazi in KZN), Zimbabwe, Zambia, Uganda and Tanzania. During this period, an introductory week in Zimbabwe took place, a week long training sessions were presented in Zambia and Uganda, 2-day session in Cape Town and a 2-week visit to Sweden with various workshops and site visits.

*The municipalities from 5 African countries together Malmo, Sweden*

*Malmo's 1<sup>st</sup> carbon free neighbourhood*



*A most inspiring workshop about gender*



*Well-structured informal trading areas abound in Sweden*



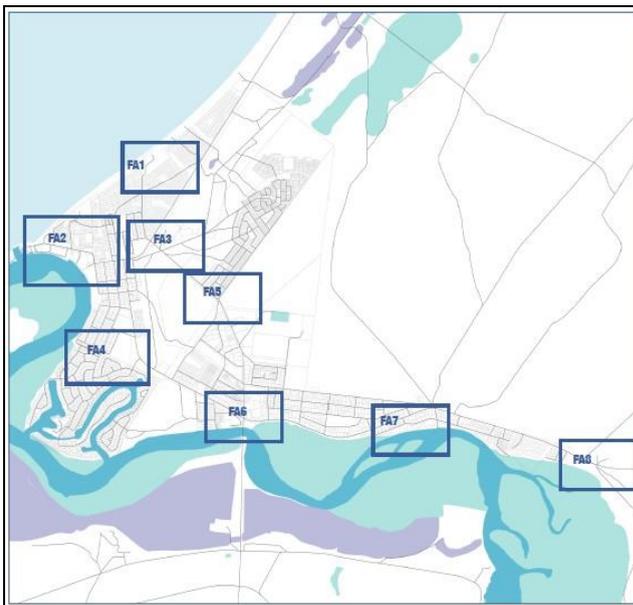
*A visit to a coffee factory in Kampala, Uganda, providing services to 1,5 million small scale coffee farmers*

*The Municipal Manager & Strategic Manager receiving their certificates for completing the ICLD course successfully from ICLD, Jenny Nylund, SA co-ordinator, Greg Ducie and the representative from UN Office for Africa*

### ○ Velddrif Precinct Plan

A Precinct Plan for Velddrif has been approved a considerable period ago and the plan aims at “transforming Velddrif/Laaipele into a vibrant, well managed and attractive town which offers safe, integrated open space, streets and amenities, where the unique landscape, cultural and social assets of the town create opportunities for residents and attract tourists”. The plan identified 8 nodal developments that need to focus on establishing a connected system of destinations, reinforcing these destinations through investment in public space and landscape while guiding investment to respond appropriately. The following figure is an overview of the nodal developments:

**FIGURE 23: 8 PRIORITY AREAS IN VELDDRIF PRECINCT PLAN**



#### **8 Nodal Development Areas**

1. Pelikaan Beach Node
2. Laaipele Harbour
3. Lofdalen Intersection Node
4. Voortrekker Road River Gateway
5. Noordhoek Community Node
6. Velddrif Gateway
7. Bokkomlaan
8. De Plaat Gateway

One of the nodal development areas is Bokkomlaan on Erf 486. Bokkomlaan’s history dates from middle 18<sup>th</sup> century when salted fish (bokkoms) were supplied to Dutch VOC. It was also the staple diet of slaves. Bokkomlaan consists of 12 fisherman cottages and “vishuisies” and the “vishuise” have been constructed of crushed shells and clay. The houses have been used for the production of “bokkoms”



which is now being considered a delicatessen. Bokkomlaan is in essence a living museum.

Bokkomlaan has been declared a Heritage Site in 2018 and has been graded as a Grade III Heritage Site with local significance. It must therefore be protected on a local level. The importance of Bokkomlaan as a stimulus for economic development is important as the “vishuisies” are being let out and 10 of the 11 rental contracts for the “Bokkom huisies” expired in November 2018. All the contracts have been extended until June 2019. The interested parties were requested to provide their input on the future of Bokkomlaan and it was clear that the community regards Bokkomlaan as a place of heritage and that should be utilised to stimulate economic development, with specific reference to tourism and small business development.

#### ○ Investment in agriculture

A significant agricultural programme is currently being rolled out in the Bergrivier Municipal Area. The programme contains the development of small scale farmers in each of the towns in Bergrivier Municipality and ensuring sufficient production to an agrihub to be established in Piketberg.



*Small scale farmers in Goedverwacht and Wittewater*

Parallel to this programme, the Waste Ambassadors in the 3 major towns will be gradually changed into business and to ensure the empowerment of the waste ambassadors, the compost they make on the various landfill sites, will be sold to the small scale farmers. The Belgium Exchange Programme is also directly involved in ensuring that all the green waste of Bergrivier Municipality gets processed into the right quality compost.



*Waste Ambassadors and Exchange at the site in Velddrif*



*Compost from the landfill site in Velddrif*

A range of markets for fresh produce and processed foods have already been secured and the risk in the



programme will be the scale of produce required for a state of the art agrihub.

*Management team of Spar and Creating Hope Africa discussing markets*

Together with the agrihub, a comprehensive agricultural training programme is envisaged where beneficiaries can receive accredited training in a virtual manner. Only 30 % of the training will be theoretical whereas the remainder of the training programme will be practical.



*Small scale farmers from Bergvievier Municipal Area planning together*

Further to this, a food security programme is also being rolled out and the first food boxes, alternatively called smart gardens, are being rolled out in Ward 4 of Piketberg. The first aim of this programme is to ensure food security, but the second aim of the food boxes is that households can eventually also participate in the programme by producing for the agrihub.



The Department of Agriculture is an active partner in the programme and besides sponsoring the first 150 food boxes (smart gardens) for specific beneficiaries, the Department also allocated 5 NQF 6-interns to work for 18 months in the programme.

*The first 3 interns together with the Department of Agriculture starting their first day in Bergrivier*

○ **Empowerment of Small, Medium and Micro Enterprises (SMME's)**

Bergrivier Municipality enjoys a constructive relationship with the West Coast Business Development Centre (WCBDC) and regular training of SMME's through the West Coast Business Development Centre is being conducted to ensure capacity building and empowerment. At least 293 SMME's have already registered on the databasis of Bergrivier Municipal Area and assistance to ensure registration on the Central Supplier Database is done. The Council of Bergrivier Municipality approved a new preferential procurement policy with targets on the use of local SMME's



registered on the database of the WCBDC. Systems to monitor the use of local small businesses are currently being designed. The Finance Directorate also conducted a training session to ensure that SMME's can do business with the Municipality and understand the supply chain processes.

Parallel with the empowerment programme in Porterville, an empowerment programme in Velddrif has also commenced and will be a multi-year initiative. A similar Open Day is planned where all the relevant stakeholders for the SMME's in Velddrif will be present and assist small businesses on an individual basis. Various training programmes are also planned within the context of various economic growth opportunities, such as tourism, the manufacturing industry, the developments of the Saldanha Economic Development Zone, etc.



*The Open Day in Porterville where a number of stakeholders were available for assistance to SMME's  
SMME's in Velddrif identifying their major challenges*

3.4.4 YOUTH DEVELOPMENT STRATEGY

Two of the main game changers for Bergrivier Municipality, as identified through the Western Cape Government's Joint Planning Initiative, are education/youth development and economic development. This is also applicable in the international agreement with Heist-op-den-Berg, the Belgium municipality with which Bergrivier Municipality has a "stedeband"-agreement with. One of the Heist-op-den-Berg had a



delegation of 10 learners from their local schools, together with municipal officials and 2 teachers to South Africa in April 2018 and 10 learners, together with municipal councillor and official from Bergrivier Municipality and 2 teachers, visited Belgium from 26 March – 12 April 2019. Various activities were undertaken ranging from visiting the local schools, visiting historical towns (such as Brugge), visiting a number of youth centres, staying over at host families and just having loads of fun. The following is a photo collage of the journey:

*Our fundraising campaign*

*A weekend of preparing our journey*

*Receiving bags from the Speaker and Mayor and beginning our journey from Bergrivier Municipality*





*An amazing journey to Belgium*

A number of other activities to stimulate further education amongst the youth are being held, including the annual hosting of a career awareness day where Further Educational Institutions and local, national and multi-national companies market their services to the youth of the Bergrivier Municipal area; known as LoTYDE. LoTYDE is an acronym for 'Leaders of Tomorrow Youth Development Expo'. It refers to the low tide of the ocean (quiet time) which is present before the high tide sets in. It's symbolic to the fact that school is a training ground which prepares learners to make a success of their lives when they enter the "real world". LoTYDE was established in 2015 by the Office of the Executive Mayor with the support of the Department of Education and funded by the Bergrivier Municipality. Approximately 500 learners and unemployed youth from various towns within the Bergrivier Municipal area attended our annual open day, LoTYDE, in Piketberg in July 2019.



### 3.4.5 SOCIAL DEVELOPMENT

The Municipality has a dedicated division with an allocated budget for social development, and works jointly with other organs of state and the West Coast District Municipality to promote social development within the Municipal Area. A Memorandum of Agreement has also been signed between Bergrivier Municipality and the Department of Social Development for the co-ordination of social programmes. The following social programmes were rolled out during the financial year:

#### 3.4.5.1 EARLY CHILDHOOD DEVELOPMENT FORUMS

The Municipality participated in the co-ordination and support of early childhood development in the Bergrivier municipal area and attended the regular forum meetings. Municipal departments such as Fire and

Rescue Services and the Town Planning unit assisted the early childhood centres with their applications for rezoning and compliance matters.

#### 3.4.5.2 LOCAL DRUG ACTION COMMITTEE (LDAC)

The Local Drug Action Committee structures, which strives towards a drug-free communities and actively acts against drug abuse, was launched in May 2017. Several town based local drug action forums were established such as in Porterville, Piketberg and Eendekuil. Regular meetings are conducted and they participate in joint awareness campaigns. Stakeholders such as Safer Schools Programme, Correctional Services (Voorberg), SAPS (Piketberg & Porterville) and the Department of Social Development engage on a regular basis with the Municipality on matters relating to drug abuse. The Municipality and the Piketberg Sports Development Foundation have joined hands to reduce substance abuse and launched awareness campaigns. Sports Development Programmes against alcohol and drug abuse were held during the school holidays and a large number of scholars and members of the public were reached by these interventions.



**PHOTO GALLERY OF EVENTS FOR THE 2018/19 FINANCIAL YEAR**

*Various activities were undertaken during holidays to teach the children about drug abuse  
Photos supplied by Strategic Services*

#### 3.4.5.3 YOUTH CAFÉ

The establishment of the Youth Café in Noordhoek, Velddrif made significant impact in the community and good success stories can be told. Bergrivier Municipality and the Western Cape Provincial Department of Social Development continued the relationship through the Youth Café in Noordhoek, Velddrif that has been in operation since December 2017. Several programmes are being offered by the Youth Centre with a

specific focus on the youth at risk within the municipal area. The centre is managed by a NGO, Mfesane, and they have an agreement with the Department of Social Development.



*Photos supplied by Mfesane*

#### 3.4.5.4 FREE DENTAL CLINIC

The good Samaritan Dr Joshua continued in the 2018/19 financial year with the annual free dental clinic that took place in Noordhoek, Velddrif and numerous community members could once again be assisted. Bergrivier Municipality assists with the logistic arrangements and the avail of a venue for the project roll-out.



*Photos supplied by Dr Joshua*

### 3.4.5.5 TOY LIBRARIES

The establishment of Toy Libraries in the Bergvriër Municipal area took momentum with the roll-out of the 1<sup>st</sup> Toy Library opening at the Sopkombuis in Velddrif and the POP Centre in Porterville. Bergvriër municipality and Early Year Services combined the energy to setting up these libraries. The Toy Libraries are fully funded by Early Year Services. Plans are in the pipeline to continue with such initiatives that benefit the



community at large.



Photos supplied by: Head Communications

### 3.4.5.6 COMMUNITY WORKS PROGRAMME

The Community Works Programme funded by the National Department, COGTA, was implemented in 2017/2018 financial year in the Bergrivier Municipal area. Since the inception of the programmes many household could provide financial support to the families. The total work opportunities created so far is



more than 500.

*CWP workers painting the church hall in Wittewater*

*CWP School support NU hoop- Farm School, Porterville*



*CWP cleaning Noordhoek primary school*

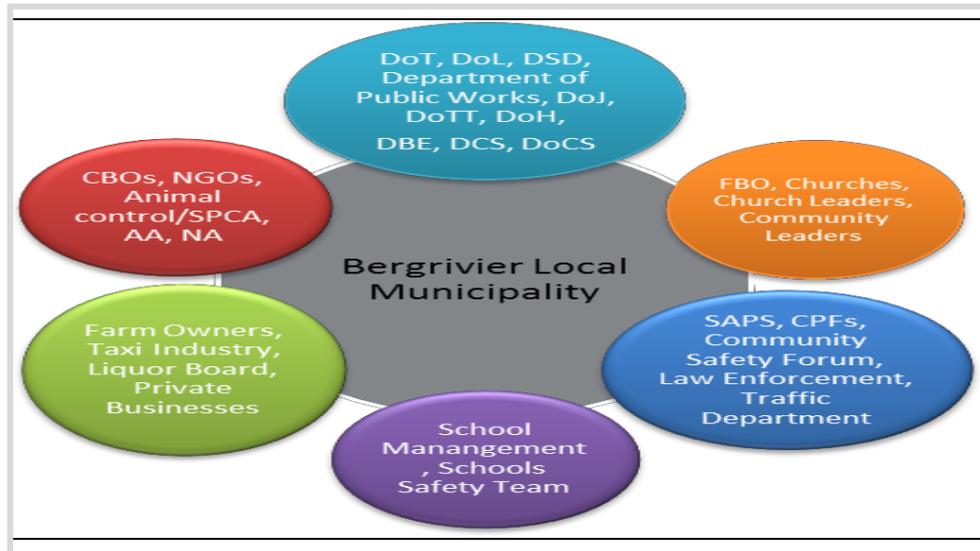
*CWP Class support Porterville primary*

### 3.4.6.7 COMMUNITY SAFETY PLAN

Bergrivier Municipality partnered with the Centre for Justice and Crime Prevention to develop a comprehensive safety plan for the local municipality to better respond to the crime and safety-related issues affecting the municipal area. The key to social crime prevention is to have a strong collaboration of



government and non-state organisations. The graph below depicts all the stakeholders needed to adequately implement and monitor the implementation of the safety plan:



### 3.5 COMMUNITY SERVICES

#### 3.5.1 LIBRARY SERVICES

##### 3.5.1.1 INTRODUCTION

Bergrivier Municipality, in collaboration with the Provincial Library Service of the Western Cape, provides a comprehensive library service to the people in the area. The Library Service strives to improve the quality of life of all inhabitants, change and uplift communities and promote literacy. The Library Service endeavours to promote awareness of the benefits of library use within the whole community and continuously promotes a reading and learning culture with free access to information. The Municipality manages 14 community libraries on their behalf. Libraries are a very important community service because there are limited recreational facilities in our towns. Libraries therefore form an essential part of people's daily or weekly schedule. The library is also used extensively by school learners. We also provide services to old age homes and service centres for the elderly. The internet that is now available in thirteen (13) of the libraries, is a highly efficient tool especially for people who cannot afford their own personal computers and internet service. The usage of such facilities is free and costs are covered by the Provincial Library Services.

The new management system for libraries is called SLIMS (SITA Library Information Management System), and distributed in South Africa by SITA (State Information Technology Agency). SLIMS is based on the Brocade Library Management System, distributed by Centre of Informatics in the Province of Antwerpen and Limburg (CIPAL) company in Belgium. Twelve of the fourteen libraries of Bergrivier Municipality use the electronic system, Slims, to issue library material.

##### 3.5.1.2 SERVICE STATISTICS

Statistics listed below are only for books issued for this financial year and does not reflect the number of visitors to the library. There are still many people who visit the libraries to make use of the photocopying,

internet and computer facilities, to do research or for information purposes and do not necessarily borrow books. The decline in the issuing of books can be attributed to changing technology, such as that people can electronically purchase and read books, magazines and newspapers on their cell phones and computers.

TABLE 111: LIBRARY BOOKS ISSUED PER ANNUM

LIBRARY	2018/2019	2017/18	2016/17
Aurora	5 697	5 366	6 355
Bettie Julies	12 453	11 622	10 018
Berghoff	2 605	2 915	3 954
Dwarskersbos	8 780	6 642	6 432
Eendekuil	5 176	6 794	5 530
Goedverwacht	10 410	15 247	25 965
LB Wernich	24 418	25 919	23 415
Noordhoek	17 191	18 267	20 062
Piketberg	42 196	46 936	48 603
Porterville	30 567	29 778	29 700
Redelinghuys	4 223	9 642	5 424
Velddrif	55 707	52 159	63 798
Versfeld	11 493	12 086	12 871
Wittewater	19 458	21 853	26 570
<b>TOTAL</b>	<b>250 374</b>	<b>265 226</b>	<b>288 697</b>

Users of computer facilities at the undermentioned libraries were recorded from the 1 July 2018 – 30 June 2019:

TABLE 112: COMPUTER USERS

COMPUTER USERS	2018/2019												
	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTAL
Aurora	37	21	26	17	10	0	1	3	15	0	10	26	<b>166</b>
Bettie Julius	171	103	105	88	120	112	89	75	95	150	170	95	<b>1 373</b>
Berghoff	7	4	2	2	2	2	0	4	2	2	2	0	<b>29</b>
Dwarskersbos	12	16	17	20	14	8	7	12	12	8	9	10	<b>145</b>
Eendekuil	33	7	4	40	58	8	46	33	9	7	5	3	<b>253</b>
Goedverwacht	71	87	78	62	62	19	66	46	49	37	55	39	<b>671</b>
LB Wernich	573	616	588	690	511	40	572	654	965	677	754	748	<b>7388</b>

COMPUTER USERS	2018/ 2019												
	Noordhoek	70	247	124	68	30	151	46	65	65	37	0	49
Piketberg	295	370	311	406	318	62	375	244	338	329	287	250	3585
Porterville	205	204	153	133	157	242	198	124	113	133	137	90	1889
Redelinghuys	33	45	19	48	29	19	73	22	21	15	0	0	324
Velddrif	165	171	119	113	88	50	184	145	94	135	139	119	1522
Versfeld	0	0	0	0	0	0	0	0	0	0	0	0	0
Wittewater	86	94	20	68	105	86	35	102	83	95	96	60	930
<b>TOTAAL</b>	<b>1 758</b>	<b>1 985</b>	<b>1 566</b>	<b>1 755</b>	<b>1 504</b>	<b>799</b>	<b>1 692</b>	<b>1 529</b>	<b>1 861</b>	<b>1 625</b>	<b>1 664</b>	<b>1 489</b>	<b>19 227</b>

Versfeld does not have any computers for public use.

### 3.5.1.3 HUMAN RESOURCES

There were two vacancies in the Library Services Section as at 30 June 2019.

TABLE 113: HUMAN RESOURCES

LIBRARY	TOTAL NO. OF PERMANENT POSTS (EXCLUDING CONTRACT WORKERS)	TOTAL NUMBER PERMANENT OF EMPLOYEES	NO. OF VACANCIES	CONTRACT WORKERS
Aurora	1	1	0	1
Bettie Julius	3	3	0	0
Berghoff	1	1	0	1
Dwarskersbos	0	0	0	1
Eendekuil	1	1	0	0
Goedverwacht	2	1	1	1
LB Wernich	3	3	0	0
Piketberg	4	3	1	2
Porterville	4	4	0	0
Noordhoek	3	3	0	0
Redelinghuys	1	1	0	0
Velddrif	4	4	0	1
Versfeld	1	1	0	0
Wittewater	1	1	0	1
<b>TOTAL</b>	29	27	2	7
	<b>NO OF POSTS</b>	<b>NO OF EMPLOYEES</b>	<b>NO OF VACANCIES</b>	<b>VACANCIES %</b>
	29	27	2	6%

## 3.5.1.4 FINANCIAL PERFORMANCE

The Department of Cultural Affairs and Sport (Western Cape Library Services) provides an annual conditional grant (CG) to contribute towards personnel costs. The 2018/19 CG grant amounted to R 3 275 000. This is in addition to the Municipal Replacement Fund Grant to the amount of R 3 275 000 which is also used for personnel costs, library operations, purchasing of office equipment and furniture, maintenance and library projects.

TABLE 114: FINANCIAL PERFORMANCE (OPERATIONAL): LIBRARY SERVICES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	5 839 400.00	5 839 400.00	5 687 298.50	-2.60%
Other:	1 378 858.00	1 398 939.00	944 121.10	-32.51%
Repairs & Maintenance:	96 890.00	104 460.00	98 793.50	-5.42%
<b>Total Operational Expenditure</b>	<b>7 315 148.00</b>	<b>7 342 799.00</b>	<b>6 730 213.10</b>	<b>-8.34%</b>
<b>Total Operational Revenue</b>	<b>-7 341 935.00</b>	<b>-7 355 000.00</b>	<b>-6 792 380.20</b>	<b>-7.65%</b>
<b>Net Operational Expenditure</b>	<b>-26 787.00</b>	<b>-12 201.00</b>	<b>-62 167.10</b>	<b>409.52%</b>

*Audited Annual Financial Statements 2018/19*

TABLE 115: FINANCIAL PERFORMANCE (CAPITAL): LIBRARY SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Shelves/Tables/Office furniture for libraries	20 000,00	20 000,00	19 175,76	-4.12%
Upgrading of Noordhoek Library	600 000,00	600 000,00	40 808,70	-93.20%
<b>TOTAL</b>	<b>620 000.00</b>	<b>620 000.00</b>	<b>59 984,46</b>	<b>-90.33%</b>

*Audited Annual Financial Statements 2018/19*

## 3.5.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

## HIGHLIGHTS

- Library staff went for computer (word, excell and power point) training;
- 7 Staff members attended the two day Library seminar held by City of Cape Town Library;
- 6 staff members attended LIASA's "How to start a culture of reading" workshop;
- 8 staff members attended the meeting of the Stellenbosch/ Saldanha Library forum at Langebaan;
- 4 Libraries were identified by the Department of Economic Development & Tourism (DEDAT) to be part of the I-CAN-LEARN computer training program for the public;
- Maintenance and upgrading of libraries were done by our Contract Handyman: (replacing of blinds, fixing roofs, ceilings, tiling and painting libraries, replacing and fixing toilets, installing safety door at Bettie Julius library building and extending book shelves at Wittewater, Dwarskersbos, Eendekuil and Porterville);

- Successful library week from 18 – 25 March 2019;
- Thirteen (13) of the fourteen (14) libraries (excluding Versfeld Library) have free internet. We applied at Western Cape Provincial library services for 3 computers to be installed at Versfeld library for the next financial year;
- Porterville and Bettie Julius Libraries in partnership with Badisa, ACVV, SAPD and Jan Danckaert Museum do special and holiday programmes and uplifting community events such as handing parcels to school girls and the elderly on different occasions;
- Our third successful story telling morning were held at Piketberg library (Piketberg library, Piketberg Museum and Piketberg Tourism);
- Libraries (Piketberg, L.B. Wernich, Porterville, Goedverwacht, Noordhoek started Facebook pages to keep the public updated with library news;
- All libraries help and assist children with tasks and information needed and some libraries help children with homework and expanding their vocabulary;
- The libraries support and organised different reading/ book clubs for adults;
- Visited old age homes and clubs for the elderly to exchange books on a weekly basis;
- Regular visits to our libraries, to take out books, from aftercare groups;
- A parcel with a ruler, pen, pencil, something to eat, a prayer and notes of encouragement, were handed to every matric learner in Bergrivier before the final matric exams of 2018;
- All Library staff contributed their time on Mandela day;
- READ-ALOUD-DAY libraries visited schools for storytelling and invited schools to join us in the libraries; and
- Library staff join Badisa's Nal'ibali Reading project for training facilitators to do reading programs for pre schools groups.

#### CHALLENGES

- High cost of maintenance of library buildings – old electrical light fittings, airconditioners, etc;
- Bergrivier Municipality pay rent to external parties for 3 libraries which is not on Bergrivier Municipality property;
- Getting farm workers and their children to the libraries;
- Distance between libraries make regular visits a challenge;
- The libraries do not have their own transport therefore it is difficult to get personnel to and from training and library meetings; and

- Upgrading of Noordhoek library: The tender process were completed without appointing a contractor because the bid was higher than the money received



People using the computers with free internet access at the libraries  
Piketberg library staff in front of new library sign

Community Services Strategic Session June 18



**LIBRARY WEEK MARCH 2019**

*Mother Pearl play school came to LB Wernich Library  
Playing games during library week*

*Launch of Mzansi computers: LB Wernich Library  
Building puzzles at play school*



**HOLIDAY FUN AT THE LIBRARY**

*Witwatersrand holiday program*

*Noordhoek*

*Eendekuil*

*Piketberg*





### Storytime

*Read-aloud-day,*

*Noordhoek story time*

*Story telling morning with Piketberg Library*

### EXHIBITIONS



## 3.5.2 MUSEUMS

### 3.5.2.1 INTRODUCTION

Museums are the functional mandate of the Department of Cultural Affairs and Sport in terms of the Constitution of the Republic of South Africa (1996). Within Bergrivier Municipality, the Community Services Directorate is responsible to liaise with the Provincial Department and Museum Committees.

Within our area, the following museums exist:

1. Jan Danckaert Museum
2. Piketberg Museum
3. SA Fisheries Museum

The two museums of the Municipality, the Jan Danckaert Museum in Porterville and the Piketberg Museum are managed by Museum Committees and are given a grant (R 484 500) in aid by the Municipality to cover some of their operational costs. Each museum received R 242 250 for the year. The municipality also gave an amount of R 25 250 as a grant in aid to the SA Fisheries Museum in Velddrif. The Municipality plays an active role on the Museum Committees. The museum service aims to promote respect for cultural diversity in South Africa and appreciation for natural heritage and therefore sets out to build understanding and pride of our diverse varied heritage through the museums.

Although South African museums are facing transformation, similar to all other institutions, their existence are crucial in that they still play a central role in heritage and tourism. Other important contributions are that of education, social cohesion and environment, although museums do not see the spin-offs. Arts and culture which play an inherent part in a diverse community, always uplifts a society; it is a reflection of its history and where it stands in today's demographics. A museum should be integral to any community and has the ability to help bind a community.

### 3.5.2.2 SERVICE STATISTICS

TABLE 116: MUSEUM VISITS: 2018/2019

MUSEUM	JUL 18	AUG 18	SEPT 18	OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19	JUNE 19	TOTAL
Jan Danckaert (Porterville)	103	159	118	94	504	64	69	233	240	201	205	386	2 376
Piketberg Museum	82	191	106	41	96	10	61	296	76	30	29	28	985
SA Fisheries Museum (Velddrif)	174	505	526	86	260	235	235	239	122	181	226	304	3 093
<b>TOTAL</b>	359	876	750	221	860	309	365	768	222	412	460	718	6 454

### 3.5.2.3 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights are contained in each of the museums' annual reports. **(ANNEXURE 25).**

#### Challenges:

The future of museums is becoming a balancing act between surviving the devastating consequences of funding cuts and striving to make the best of the creative minds working in the sector. The recession affected the museums in general negatively as it reduced their annual memberships, donations, and more importantly reduced, or in some cases completely removed government funding. Museums must also continue to reach consumer markets that they haven't been able to tap into, such as perhaps a younger market. Porterville and Piketberg museum buildings are in need of maintenance.

### 3.5.3 COMMUNITY FACILITIES: OPEN PARKS AND OPEN SPACES

#### 3.5.3.1 INTRODUCTION

Community facilities include the following:

- Community halls in all towns;
- Public ablution facilities;
- Play Parks;
- Cemeteries;
- Sports Grounds;
- Swimming pools;
- Open spaces & parks; and
- Resorts.

This section deals with community halls specifically.

### 3.5.3.2 HUMAN RESOURCES CAPACITY

TABLE 117: HUMAN RESOURCES: COMMUNITY SERVICES

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
7	6	1	14.29 %

### 3.5.3.3 FINANCIAL PERFORMANCE

TABLE 118: FINANCIAL PERFORMANCE (OPERATIONAL): COMMUNITY HALLS

COMMUNITY HALLS				
DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	559 500.00	516 500.00	554 187.40	7.30%
Other:	199 129.00	210 943.00	195 448.80	-7.35%
Repairs & Maintenance:	153 700.00	132 850.00	117 188.30	-11.79%
<b>Total Operational Expenditure</b>	<b>912 329.00</b>	<b>860 293.00</b>	<b>866 824.50</b>	0.76%
<b>Total Operational Revenue</b>	<b>-77 774.00</b>	<b>-200 000.00</b>	<b>-243 580.50</b>	21.79%
<b>Net Operational Expenditure</b>	<b>834 555.00</b>	<b>660 293.00</b>	<b>623 244.00</b>	-5.61%

*Audited Annual Financial Statements 2018/19*

TABLE 119: FINANCIAL PERFORMANCE (CAPITAL): COMMUNITY HALLS

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Paving Community Hall	30 000,00	-	-	-
Cutlery (Community hall)	10 000,00	-	-	-
Furniture & Equipment Community Hall	30 000,00	61 570,00	61 569,90	0.00%
<b>TOTAL</b>	<b>70 000.00</b>	<b>61 570.00</b>	<b>61 569,90</b>	<b>0.00%</b>

*Audited Annual Financial Statements 2018/19*

### 3.5.4 CEMETERIES

#### 3.5.4.1 INTRODUCTION

The cemeteries are well maintained in accordance with a maintenance programme that includes weed control and general cleaning. A Cemetery Master Plan is in place to ensure that the capacity and life span of cemeteries can be monitored. Graves must be paid before an allocation can be made and the grave will be prepared at least 24 hours before the church service commences.

#### 3.5.4.2 SERVICE STATISTICS

The Municipality has 14 cemeteries and a total of 266 burials took place in 2018/19. We have commissioned new cemeteries in Piketberg and Porterville in order to cater for longer term needs.

TABLE 120: CEMETERIES PER TOWN

TOWN	CEMETERIES	BURIALS 2016/17	BURIALS 2017/18	BURIALS 2018/19
Piketberg	4	149	140	118
Aurora	1	3	4	2
Velddrif	3	60	56	34
Redelinghuys	2	10	15	17
Eendekuil	2	22	26	13
Porterville	2	129	101	82
<b>TOTAL</b>	<b>14</b>	<b>373</b>	<b>342</b>	<b>266</b>

#### 3.5.4.3 HUMAN RESOURCE CAPACITY

There are two full time staff members in the Velddrif Cemetery and one in the Piketberg Cemetery. Maintenance and development of the other cemeteries are done by the Parks teams of each town.

TABLE 121: HUMAN RESOURCES: CEMETERIES

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
--------------	-----------------	-----------------	-------------

3	3	0	0.00%
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## 3.5.4.4 FINANCIAL PERFORMANCE

TABLE 122: FINANCIAL PERFORMANCE (OPERATIONAL): CEMETERIES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	468 700.00	506 700.00	488 274.50	-3.64%
Other:	277 484.00	246 900.00	207 917.40	-15.79%
Repairs & Maintenance:	18 180.00	13 919.00	12 978.80	-6.75%
<b>Total Operational Expenditure</b>	<b>764 364.00</b>	<b>767 519.00</b>	<b>709 170.70</b>	<b>-7.60%</b>
<b>Total Operational Revenue</b>	<b>-345 409.00</b>	<b>-345 000.00</b>	<b>-322 620.10</b>	<b>-6.49%</b>
<b>Net Operational Expenditure</b>	<b>418 955.00</b>	<b>422 519.00</b>	<b>386 550.60</b>	<b>-8.51%</b>

*Audited Annual Financial Statements 2018/19*

TABLE 123: FINANCIAL PERFORMANCE (CAPITAL): CEMETERIES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Gravel access roads - cemetery	80 000,00	69 453,00	69 452,17	0.00%
Fence - New cemetery	200 000,00	197 503,00	197 502,78	0.00%
Furniture & Equipment - Cemeteries	5 000,00	3 581,00	3 580,44	-0.02%
Tools	10 000,00	5 186,00	5 185,04	0.02%
<b>TOTAL</b>	<b>295 000.00</b>	<b>275 723.00</b>	<b>275 720,43</b>	<b>0.00%</b>

*Annual Financial Statements 2018/19*

## 3.5.4.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights include:

- Commencement with burials at the new Cemetery in Porterville.

Challenges that still need to be addressed, include:

- Layout of the graves at the new Cemetery for Piketberg;
- Construction of ablution facilities;
- Improved cemetery maintenance; and
- Vandalism at cemeteries.

## 3.6 ENVIRONMENTAL MANAGEMENT

## 3.6.1 POLLUTION CONTROL

All pollution control matters are dealt with by use of complaint and response system from the Municipality and by implementation of the respective municipal by-laws. Water and soil pollution are dealt with in terms

of our Water Services Development Plan and Integrated Waste Management Plans. Noise pollution is dealt with by the Traffic Department which includes Law Enforcement officers who are also responsible for the control of public nuisances. By-laws such as Air Pollution; Prevention of Public Nuisance; Solid Waste Disposal; Water Supply, Sanitation and Industrial Effluent and Stormwater Management are being implemented.

The West Coast Air Quality Working Group (WCAQWG), the Joint Municipal Air Quality Working Group (JMAQWG) and the Western Cape Air Quality Officer's Forum meet on a quarterly basis to discuss air quality matters and complaints. Complaints are also raised from the public to the municipal complaints system and directed from there to address. The Environmental Planning Management Officer was appointed as the Air Quality Officer on 31<sup>st</sup> July 2018 for Bergrivier Municipality. The Environmental Planning Management Officer represents Bergrivier Municipality at these meetings. An Air Quality Monitoring Station was installed and funded by the West Coast District Municipality (WCDM) in Velddrif to the value of R 598 847.42 to



monitor air quality in Velddrif.

*Air Quality Monitoring station at Velddrif*

### 3.6.2 BIODIVERSITY AND CLIMATE CHANGE

#### 3.6.2.1 BIODIVERSITY

Bergrivier Municipality was part of the Local Action on Biodiversity (LAB) Pioneer Programme, Phase II. The 2011 Local Biodiversity Strategy and Action Plan for the Bergrivier Municipality was developed as part of the LAB Pioneer Programme. LAB is run by ICLEI – Local Governments for Sustainability's Global Biodiversity Centre, in partnership with International Union for Conservation of Nature (IUCN).

The Municipality also commissioned a Biodiversity Report in 2010 that unequivocally states that the Municipality's biodiversity is under threat from human occupation and activity. Critical challenges facing the Municipality in the conservation of its biodiversity are:

- Integration of biodiversity into municipal planning frameworks and processes;
- Conservation and management of freshwater aquatic biodiversity;
- Conservation, management and development of the Berg Estuary;

- Conservation and management of terrestrial biodiversity;
- The impact of waste and pollution on biodiversity;
- Lack of biodiversity awareness; and
- Mainstreaming biodiversity into local economic development.

The Municipality rolled out various community programmes in co-operation with other organs of state such as rain water harvesting initiatives. Part of the Municipality's obligations in terms of this programme included the development of a Local Biodiversity Strategic and Action Plan (LBSAP) for implementation. Objectives and Strategies within the LBSAP are defined as follows:

#### Objectives:

1. Full integration of biodiversity conservation into the institutional and planning frameworks, governance and regulatory processes and policies of Bergrivier Municipality;
2. Management, conservation and sustainable utilisation of Bergrivier Municipality's aquatic and terrestrial biodiversity assets;
3. Community appreciation and active participation in the conservation of Bergrivier Municipality's biodiversity; and
4. Enhanced human well-being and poverty reduction through the mainstreaming of biodiversity conservation into the local economy.

#### Strategies:

1. Develop the capacity of Bergrivier Municipality to effectively manage its biodiversity and broader environmental issues;
2. Integrate biodiversity considerations into municipal planning, policies and by-laws;
3. Eradicate alien and invasive species that are impacting negatively on Bergrivier Municipality's biodiversity;
4. Conserve freshwater aquatic ecosystems through sustainable use and management of water resources;
5. Reduce the impact of waste and pollution on biodiversity;
6. Engage actively and implement measures to facilitate private conservation of Bergrivier's biodiversity;
7. Clean and green urban areas to promote biodiversity;
8. Create an awareness of the importance of conserving biodiversity through targeted awareness programmes;
9. Facilitate international conservation status for the Berg Estuary through active participation on the Berg Estuary Advisory Forum (BEAF); and

## 10. Link biodiversity conservation to job creation and entrepreneurship

### • **Coastal and estuarine management**

According to the Demarcation Board of South Africa, the extent of the Bergrivier Municipality coastline is 46km. The Berg River Estuary is an imperative part of the Bergrivier Municipal Area. As stated within the Berg River Estuarine Management Plan (Final Draft 2017); the Berg River estuary is one of 279 functional estuaries in South Africa and one of four permanently open estuaries on the West Coast. Based on the extent of tidal influence, the estuary is estimated to be 65 km long, although seawater does not penetrate this far upstream. The main channel at Velddrif is about 100 - 200 m wide, becoming progressively narrower and shallower upstream. It is the one of the largest estuaries in the country, with a total area of 61 sq km. The estuary is one of the most important in the country in terms of its conservation value. The extensive floodplain that surrounds the middle and upper reaches of the system makes it unique in the South-Western Cape. It has also been identified as an Important Bird Area.

These are valuable resources that contribute significantly to the local economy, especially the tourism and fishing sub sectors. The National Environmental Management: Integrated Coastal Management Act, 2008, (Act No. 24 of 2008) aims to establish a system of integrated coastal and estuarine management. This Act places a number of obligations on municipalities and defines a municipality as being “a metropolitan, district or local municipality established in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)”. In areas where jurisdiction is shared by a district and local municipality, the district municipality is responsible for the implementation of the provisions of this Act, unless the district municipality has by agreement assigned the implementation of any of the provisions of the Act to the local municipality.

The West Coast District Municipality (WCDM) adopted an Integrated Coastal Management Plan (ICMP) in 2013 and has also developed one for the Bergrivier Municipality in the same period which was adopted by the Municipal Council in 2013/2014. Bergrivier provided a grant in aid to the Berg River Estuary Management Forum (BEMF) which enabled them to fund the Marine Ranger to regulate and monitor the Berg River Estuary. The WCDM is currently in the process to review the West Coast District Municipality Coastal Management Programme (which includes the Bergrivier Local Municipality Coastal Management Programme- BLM CMP).

The development of the BLM CMP followed the following general process:

- Firstly, an initial framework for coastal management in the BLM was developed, which outlined the key components of an integrated CMP. This formed the structure of the CMP;
- A draft situation analysis of the coastal zone and coastal management along the BLM coastline was prepared;
- Through a series of stakeholder workshops, coastal issues and potential future needs were identified;

- A preliminary list of indicators for coastal management was derived from the issues identified as well as consultation with the existing BLM CMP (2013) and the Western Cape Provincial CMP (2016). This was done in order to monitor the progress of the implementation of the CMP to achieve management objectives; and
- Finally, specific coastal management actions for the BLM CMP were identified, from which implementation plans were developed.

Berg River Estuarine Management Plan as part of the Western Cape Estuary Management Framework and Implementation Plan was compiled for the client Western Cape Government, Department of Environmental Affairs & Development Planning by Anchor Environmental (2008- version 1) and Royal Haskoning DHV (2017- version 2).

This document is a Management Plan for the Berg River estuary. It was originally developed under the auspices of the Cape Action Plan for the Environment (C.A.P.E.) Estuaries Management Programme. The main aim of this programme was to develop a conservation plan for the estuaries of the Cape Floristic Region (CFR), and to prepare individual management plans for as many estuaries as possible. This current revision of the Draft Berg River Estuarine Management Plan (EMP), including the Situation Assessment and the Management Plan itself, is in response to a review conducted by the National Department of Environmental Affairs: Oceans and Coasts in 2014, to ensure compliance with the minimum requirements for estuary management plans as per the Protocol. The Berg River Estuarine Management Plan, once in its final state, will be presented to Council for approval.

Bergrivier Municipality commenced this year with a by-law relating to the management and use of the Bergrivier Estuary. The purpose of this by-law is to implement the municipality's constitutional mandate to ensure a healthy and safe environment for its residents as provided in terms of the National Environmental Management Act, 1998 (Act 107 of 1998), Integrated Coastal Management Act, 2008 (Act 24 of 2008) as well as the "National Estuarine Management Protocol" published in Government Gazette No 341 of 10 May 2013. In particular, a legal framework must be provided for the management and use of the Berg River estuary and control of the use of boats and vessels for sports, recreational or commercial purposes on the river. This By-law applies to all recreational activities and boats or vessels used for sports, recreational or commercial purposes on the river. Progress towards implementation of the by-law include:

- i. The Bergrivier Municipality: By-law relating to the Management and Use of the Berg River Estuary was approved by Council on 26 March 2019 and published by means of Provincial Gazette Extraordinary No. 8124 on Friday, 5 July 2019;
- ii. Boat operators on the Berg River Estuary will in the near future have to obtain a document issued as proof of permission from the municipality to operate or control a boat on the river. Licensing will be done by the issuing of permits. Boat Permit Outlets are to be apportioned within the

Velddrif/Laaiplek area for the selling of the boat permits. During June 2019, Council approved the following three Boat Permit Outlets:

- Riviera Hotel
  - Kliphoek River Resort
  - Port Owen Marina Authority;
- iii. Negotiations with above parties are in an advanced stage; and
- iv. CapeNature will appoint Marine Rangers, who will ensure compliance of vessel operators and any persons making use of the Berg River Estuary with the Bergrivier Municipality: By-Law Relating to the Management and Use of the Berg River Estuary.

Implementation period is scheduled for 1 September 2019.

### 3.6.2.2 CLIMATE CHANGE

National Government acknowledges that there is undisputed evidence that climate change is occurring and that further climate change is inevitable. South Africa needs to adapt to the impact of climate change by managing its climate and weather-related risks to reduce its vulnerability (National Climate Change Response Strategy: White Paper 2010). Climate change is a cross cutting issue and relies on a coordinated approach.

Strategy advocates that in addition to top down approaches, a bottom up approach must be adopted which is informed by local government and their communities. From this it is evident that the Municipality has a defined role to play in the mitigation of and adaptation to the impacts of climate change. The Western Cape is particularly vulnerable to climate change and the hotter drier conditions predicted for the West Coast could have far reaching impacts. The Municipality's local economy is driven by agriculture and there is concern about the negative impacts of climate change on the agricultural sector which will in turn impact on the local economy.

During March 2014 the Municipal Council adopted a Climate Change Adaptation Plan. This plan was developed for the Municipality in partnership with the Climate Change Sub Directorate of the Western Cape Department of Environmental Affairs and Development Planning as part of their Municipal Support Programme.

The objective of the Climate Change Adaptation Plan is to identify ways in which the Municipality can respond to the impacts of climate change within the parameters of its powers and functions and its available resources. Climate change cannot be addressed by any single entity or organisation and it is imperative that all stakeholders work together proactively to develop a climate resilient Western Cape, South Africa and World. Climate change is not only an environmental issue, it affects people, infrastructure and the economy, and as such should not be seen as a separate function, but rather a lens through which the Municipality views its functions. Adapting to climate change is therefore not a new function but rather a way of doing the

same things in a different way. This equates to mainstreaming climate change into all planning, development and decision making.

Bergrivier Municipality commented on the circular provided by the South African Local Government Association (SALGA) on the Draft National Climate Change Adaptation Strategy.

### 3.7 SAFETY AND SECURITY

This part includes: traffic and law enforcement services (including licensing and control of animals and control of public nuisances), fire services and disaster management. These services all fell within the Corporate Services Directorate, but became the function of the new Directorate of Community Services.

#### 3.7.1 TRAFFIC AND LAW ENFORCEMENT SERVICES

##### 3.7.1.1 INTRODUCTION

Bergrivier Municipality has a Traffic and Law Enforcement Division which deals with law enforcement and licensing in the Municipal Area. The Traffic Section is responsible for traffic and law-enforcement which include control of animals and addressing of public nuisances. The Licensing Section is responsible for Vehicle Registration, Vehicle- and Driver testing. The Traffic and Law Enforcement Division is managed by a Chief Traffic Officer and there are 15 officers (11 Traffic Officers and 4 Law Enforcement Officers), 4 EPWP Law Enforcement Officers, 9 Temporary Law Enforcement Officers, 3 Chrysalis students, 5 Vehicle licensing officials as well as a number of support staff. The aim of the service is to provide a safe and healthy environment for the community.

The three top service delivery priorities are:

- The safe use of public roads by all road users;
- The enforcement of the National Road Traffic Act; and
- The enforcement of the Municipal By-Laws.

The Traffic Department is also responsible for Licensing (vehicles and drivers). This is a function of the Department of Transport and Public Works, but the Municipality renders this service as an agency of the Department and receives a subsidy to perform these functions on their behalf. Another responsibility is the managing and monitoring of the Informal Trading Industry which consists of 32 informal trading facilities in Piketberg and 22 in Porterville. There are no facilities in Velddrif.

##### 3.7.1.2 SERVICE STATISTICS

TABLE 124: TRAFFIC AND BY-LAW INFRINGEMENTS

DETAILS	2017/2018	2018/2019
Number of by-law infringements attended	5 332	5 041
Number of Traffic and Law enforcement officers in the field on an average day	28	26

DETAILS	2017/2018	2018/2019
Number of Traffic and law enforcement officers on duty on an average day	35	32

TABLE 125: LICENSING TRANSACTIONS

TRANSACTION	2017/2018	2018/2019
Drivers license Transactions.	11 885	11 703
Motor vehicle Registration Transactions.	52 266	53 566

### 3.7.1.3 HUMAN RESOURCE CAPACITY

There was no funded vacancies in the Traffic, Law Enforcement, Vehicle Licensing and Testing Section as at 30 June 2019.

TABLE 126: HUMAN RESOURCES: TRAFFIC, LAW ENFORCEMENT AND LICENSING

	NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
Traffic and Law Enforcement	16	16	0	0%
Vehicle Licensing	5	4	1	20%
Support Staff	6	5	1	16.66%

### 3.7.1.4 FINANCIAL PERFORMANCE

TABLE 127: FINANCIAL PERFORMANCE (OPERATIONAL): TRAFFIC, LAW ENFORCEMENT

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	8 271 300.00	7 561 300.00	8 492 655.10	12.32%
Other:	9 687 842.00	9 219 194.00	8 279 040.30	-10.20%
Repairs & Maintenance:	148 800.00	270 600.00	185 286.00	-31.53%
<b>Total Operational Expenditure</b>	<b>18 107 942.00</b>	<b>17 051 094.00</b>	<b>16 956 981.40</b>	<b>-0.55%</b>
<b>Total Operational Revenue</b>	<b>-9 483 456.00</b>	<b>-8 355 000.00</b>	<b>-7 620 541.40</b>	<b>-8.79%</b>
<b>Net Operational Expenditure</b>	<b>8 624 486.00</b>	<b>8 696 094.00</b>	<b>9 336 440.00</b>	<b>7.36%</b>

*Audited Annual Financial Statements 2018/19*

TABLE 128: FINANCIAL PERFORMANCE (OPERATIONAL) ROADS AND TRAFFIC REGULATION

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	1 091 300.00	1 067 300.00	1 041 979.10	-2.37%
Other:	393 942.00	420 661.00	417 610.40	-0.73%
Repairs & Maintenance:	11 300.00	13 300.00	11 869.20	-10.76%

<b>Total Operational Expenditure</b>	<b>1 496 542.00</b>	<b>1 501 261.00</b>	<b>1 471 458.70</b>	-1.99%
<b>Total Operational Revenue</b>	<b>-4 210 328.00</b>	<b>-4 210 328.00</b>	<b>-4 312 883.10</b>	2.44%
<b>Net Operational Expenditure</b>	<b>-2 713 786.00</b>	<b>-2 709 067.00</b>	<b>-2 841 424.40</b>	4.89%

*Audited Annual Financial Statements 2018/19*

TABLE 129: FINANCIAL PERFORMANCE (CAPITAL)

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Driver's Licence Test Yard for Piketberg	350 000,00	350 000,00	350 000,00	0.00%
Furniture & Equipment - Traffic Department	8 000,00	7 913,00	7 912,60	-0.01%
New Traffic Vehicles	250 000,00	232 951,00	264 339,14	13.47%
Airconditioners	20 000,00	18 827,00	17 460,87	-7.26%
Vehicle Equipment	15 000,00	22 550,00	22 550,00	0.00%
<b>TOTAL</b>	<b>643 000.00</b>	<b>632 241.00</b>	<b>662 262,61</b>	<b>4.75%</b>

*Audited Annual Financial Statements 2016/17*

3.7.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year included:

- i. The increasing of patrols, random breath testing operations and visibility in all towns by means of regular road blocks and integrated operations with our partners, the SAPS, Fire, EMS, Swartland



Municipality, Saldanha Municipality, Neighbourhood watches and Provincial Traffic.



Random Breath Testing operation with the SAPS and Provincial Traffic in Porterville



*Drug Fund in Porterville*



*Law Enforcement busy with the removal of illegal structures*

*Chrysalis and EPWP workers strengthening law enforcement leg*



*Assisting with rescue of injured hikers*



*The upgrading of the road signage and markings in all the different areas of Bergrivier Municipality.*



ii. Training and education of scholars and pre-school learners in the safe use of our roads.



*Eendekuil Primary School*



*PHS Grade R*

iii. 8 Awareness programs in cooperation with the Road Safety Education Department's Danny Cat program were held at the Piketberg Disabled Day, in Aurora, in Redelinghuys, Porterville holiday program and Youth Day festivities in Piketberg, Porterville and Velddrif.



*Berghof Primary School, Porterville*

*Disabled day in Piketberg*

*Aurora High School*

iv. Bergrivier Municipality in cooperation with the Department Community Safety presented a Peace Officer training course which was successfully completed by 30 Students.

v. Animal Clinics were held as follows:

Velddrif	-	11
Aurora	-	11
Redelinghuys	-	11
Eendekuil	-	11
Porterville	-	11
Piketberg	-	11

Challenges that still need to be addressed include:

- Control and lack of specialised knowledge and equipment on noise control;
- Extended service in Motor Registration and Licencing over weekends;
- Shortage of sufficient equipment and resources to address the afterhours speeding challenges;
- The establishment of an Informal Trading Facility for Velddrif;
- The after hour control of vagrants;
- The extension of licencing services to the smaller towns;
- Unfunded vacancies on the Organogram to improve service delivery;
- The control and influx of seasonal workers causing a nuisance in public open spaces over weekends; and
- Patrol vehicle shortages.

### 3.7.2 FIRE SERVICES AND DISASTER MANAGEMENT

#### 3.7.2.1 INTRODUCTION

The Disaster Management Act (No.57 of 2002) requires municipalities to establish functional Disaster Management Centers in their areas of jurisdiction. Bergrivier Municipality is in full compliance with this legislation as the disaster management section was established to serve and protect the residence and communities residing within the boundaries of Bergrivier Municipality. The MOU between the Bergrivier Municipality and West Coast District Municipality was terminated from the 1 July 2019 and therefor if any assistance from the West Coast District Fire Services is needed it will be rendered at a cost to Bergrivier Municipality. The following interventions have been undertaken:

- The Evacuation plans of the Bergrivier Municipality buildings was approved by the Council of Bergrivier Municipality in June 2016;
- The summer season preparedness plan 2018/19 was approved by the Council of Bergrivier Municipality in October 2018; and
- Eskom Total Black-Out plan was approved by the Council of Bergrivier Municipality in June 2019.

#### 3.7.2.2 SERVICE STATISTICS

The following table shows the incidence of different types of fires in the Municipal Area:

TABLE 130: FIRE STATISTICS

BUSH AND GRASS FIRES												
DESCRIPTION	JUL 18	AUG 18	SEPT 18	OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19	JUN 19
Aurora	-	-	-	-	-	-	-	-	-	-	-	-
Eendekuil	-	-	-	-	-	-	-	-	-	-	-	-
Piketberg	-	2	-	-	-	-	11	3	3	9	3	-
Porterville	-	-	-	-	-	-	20	6	5	6	1	-
Velddrif	1	-	-	1	-	-	13	5	5	4	6	-
Redelinghuys	-	-	-	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>14</b>	<b>13</b>	<b>19</b>	<b>10</b>	<b>0</b>
STRUCTURE FIRES												
DESCRIPTION	JUL 18	AUG 18	SEPT 18	OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19	JUN 19
Aurora	-	-	-	-	-	-	-	-	-	-	-	-
Eendekuil	-	-	-	-	-	-	-	-	-	-	-	-
Piketberg	3	-	-	3	-	-	5	4	4	9	-	-
Porterville	-	-	-	-	-	-	-	2	1	4	-	-
Velddrift	1	-	-	1	-	-	-	2	4	6	-	-
Redelinghuys	-	-	-	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>9</b>	<b>19</b>	<b>0</b>	<b>0</b>
INSPECTIONS												
DESCRIPTION	JUL 18	AUG 18	SEPT 18	OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19	JUN 19
Aurora	1	-	1	1	-	-	-	-	-	-	-	-
Eendekuil	3	-	-	3	-	-	-	-	-	4	3	-

Piketberg	18	3	15	18	-	-	5	8	8	18	16	-
Porterville	8	4	1	8	-	-	2	2	2	5	4	-
Velddrif	13	2	3	13	-	-	4	8	8	14	14	-
Redelinghuys	-	-	-	-	-	-	6	-	-	5	5	-
<b>SUBTOTAL</b>	<b>43</b>	<b>9</b>	<b>19</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>46</b>	<b>42</b>	<b>0</b>

The statistics have increased from July 2017 – Jun 2018 the previous year.

### 3.7.2.3 HUMAN RESOURCE CAPACITY

Deon Alberts resigned and his last working day was at the end of April 2019. The Disaster Management Centre is fully functional. The position Head: Disaster Management was filled in June 2019 by Mr. Daine Jones (B-Tech). There are no other permanent personnel. The following persons assisted with the function for the year 2018-19:

- 10 x Expanded Public Works Personnel (EPWP) on a 12 (twelve) month contract;
- 3x Chrysalis students; and
- 7x Full-time personnel doing stand-by duties.

Some of the municipal disaster management volunteers (EPWP) mentioned have played an important role in alleviating the effects of many incidents in the Bergrivier Municipality's area of jurisdiction. Examples of incidents they participated in are various dwelling and structural fires, veld fires, vehicle fires and road traffic accidents. They also received training in various aspects such as first aid, basic fire-fighting, hazardous materials, command and control, communication, etc.

Many of the municipal volunteers (EPWP) have been active members of the fire and disaster management section for many years and are proud to be of service to the communities of Bergrivier. They are cross-trained and receive training in various aspects such as Fire Fighter 1 and Fire Fighter 2, Hazmat Awareness and Operations, first aid, basic fire-fighting, command and control, community awareness training, Peace officer etc.

#### Staff limitations

Bergrivier Municipality's disaster management department is limited in carrying out its functions according to the Disaster Management Act (57 of 2002) due to the lack of suitably qualified and skilled personnel and budget limitations. This places the municipality and the community at risk should a serious incident or disaster occur. There is a serious need for permanent suitably qualified staff to assist with the function.

### 3.7.2.4 FINANCIAL PERFORMANCE

The cost of the fire service can vary dramatically from year to year depending on the number of incidents. Provision is always made for the worst case scenario.

TABLE 131: FINANCIAL PERFORMANCE (OPERATIONAL): FIRE SERVICES AND DISASTER MANAGEMENT

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	686 800.00	661 800.00	557 112.70	-15.82%
Other:	606 221.00	699 984.00	664 917.50	-5.01%
Repairs & Maintenance:	55 500.00	90 030.00	64 125.80	-28.77%
Total Operational Expenditure	<b>1 348 521.00</b>	<b>1 451 814.00</b>	<b>1 286 156.00</b>	-11.41%
Total Operational Revenue	<b>-5 719.00</b>	<b>-5 000.00</b>	-	-100.00%
Net Operational Expenditure	<b>1 342 802.00</b>	<b>1 446 814.00</b>	<b>1 286 156.00</b>	-11.10%

*Audited Annual Financial Statements 2018/19*

TABLE 132: FINANCIAL PERFORMANCE (CAPITAL): FIRE AND DISASTER MANAGEMENT

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Computer Equipment & Printers	20 000,00	26 479,00	26 479,00	0.00%
Furniture & Equipment - Fire	8 000,00	6 368,00	6 481,99	1.79%
Fire fighting equipment	30 000,00	46 500,00	46 500,00	0.00%
Radio network for Disaster Management & Traffic Services	50 000,00	49 400,00	49 399,87	0.00%
Rebuilding of fire fighting vehicles	100 000,00	-	-	-
Upgrading Fire Building - Velddrif	-	105 700,00	97 894,47	-7.38%
TOTAL	208 000.00	234 447.00	<b>226 755,33</b>	<b>-3.28%</b>

*Audited Annual Financial Statements 2018/19*

### 3.7.2.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- An additional digital VHF radio network repeater was erected in Aurora to improve communications in the Redelinghuys & Aurora area. More radios were purchased to improve communication between personnel;
- 255 x fire prevention inspections were performed throughout the municipal area;
- Training of municipal staff in basic firefighting techniques;
- 2 x EPWP personnel were assisted to obtain their Code 10 driver's license;
- 3 x EPWP fire fighters successfully completed the Fire fighter 1 course and 2 x EWP fire fighters successfully completed the Fire fighter 2 course that is nationally recognized;
- Printing and circulating of printed emergency telephone number stickers throughout the municipal area; and
- Fire safety and emergency evacuation talks were arranged throughout the year at various schools, businesses and institutions.

Challenges that still need to be addressed include:

- The lack of dedicated qualified personnel;
- Shortage of funding to purchase equipment;
- The lack of a 24 hour emergency dispatch centre;
- The lack of a single emergency number for Bergrivier Municipality;
- The lack of specialized fire fighting vehicles to cover risks; and
- The lack of dedicated fire station buildings to facilitate vehicles, equipment and personnel.

## PHOTO GALLERY 2018/19



Bergrivier staff engaged in a talk on a sports field



Fire fighter 1 course, Moorreesburg



Awareness at creché - Little Stars, Piketberg



Fire at Rhino Park sports grounds, Piketberg



Field fire, Velddrif



Training in Velddrif with assistance staff



Field fire at landfill, Piketberg



Vehicle fire on Porterville road



Last day of Deon Alberts with 4 Fire Brigade staff.



New Head: Disaster Management and Fire Services - Daine Jones

### 3.8 COMMUNITY SERVICES

#### 3.8.1 COMMUNITY SERVICES (PARKS AND OPEN SPACES)

##### 3.8.1.1 INTRODUCTION

The Municipality is responsible for all public parks and open spaces, which are important for the conservation of our biodiversity as well as the aesthetic appearance of our towns.

##### 3.8.1.2 SERVICE STATISTICS

TABLE 133: PARKS AND OPEN SPACES

TOWN	PARKS AND OPEN SPACES (HA)	PLAY PARKS (NO)
Piketberg	26.4	6
Aurora	1.4	1
Dwarskersbos	0.5	0
Velddrif	19.9	2
Redelinghuys	0.1	1
Eendekuil	0.5	2
Porterville	4.8	2
<b>TOTAL</b>	<b>53.6</b>	<b>14</b>

##### 3.8.1.3 HUMAN RESOURCE CAPACITY

TABLE 134: HUMAN RESOURCES: COMMUNITY PARKS

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
25	25	0	0.00%

##### 3.8.1.4 FINANCIAL PERFORMANCE

TABLE 135: FINANCIAL PERFORMANCE (OPERATIONAL): PARKS AND OPEN SPACES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	8 539 800.00	7 585 800.00	7 764 921.90	2.36%
Other:	1 257 661.00	1 289 123.00	1 193 194.90	-7.44%
Repairs & Maintenance:	271 580.00	381 080.00	346 244.60	-9.14%
<b>Total Operational Expenditure</b>	<b>10 069 041.00</b>	<b>9 256 003.00</b>	<b>9 304 361.40</b>	<b>0.52%</b>
<b>Total Operational Revenue</b>	<b>-175 000.00</b>	<b>-175 000.00</b>	<b>-</b>	<b>-100.00%</b>
<b>Net Operational Expenditure</b>	<b>9 894 041.00</b>	<b>9 081 003.00</b>	<b>9 304 361.40</b>	<b>2.46%</b>

*Audited Annual Financial Statements 2018/19*

TABLE 136: FINANCIAL PERFORMANCE (CAPITAL): PARKS AND OPEN SPACES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Cement benches - open spaces	12 000,00	10 954,00	10 953,04	-0.01%
Furniture & Equipment - Community Parks	4 000,00	300 962,00	299 283,46	-0.56%
Lawn mowers	50 000,00	44 261,00	44 260,87	0.00%
<b>TOTAL</b>	<b>66 000.00</b>	<b>356 177.00</b>	<b>354 497,37</b>	<b>-0.47%</b>

*Audited Annual Financial Statements 2018/19*

*3.8.1.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES*

Challenges that still need to be addressed, include:

- the vandalism of play equipment in parks; and
- Post on organogram not funded.

Highlights:

- Two play parks have been upgraded, one in Velddrif (Ouma Wiese Play Park) and in Porterville (Anna Swarts Play). The upgrade of the play parks included the planting of trees, new play equipment, paving, seating benches as well as the construction of gazebos.





*Ouma Wiese Play Park: Velddrif*

*Anna Swarts Play Park: Porterville*

- The Aurora Play Park also received 3 new play equipment units. All equipment in the municipal area



have been painted and repaired where needed.

*Aurora Play Park*

## 3.8.2 SPORT FIELDS AND SWIMMING POOLS

## 3.8.2.1 INTRODUCTION

Bergvriervier Municipality has 3 swimming pools, namely one in Porterville and 2 in Piketberg. All 3 swimming



pools are utilised by the public during the summer months.

## 3.8.2.2 FINANCIAL PERFORMANCE

TABLE 137: FINANCIAL PERFORMANCE (OPERATIONAL): SWIMMING POOLS

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
<b>SWIMMING POOLS</b>				
Employee Related Costs	629 400.00	564 400.00	595 237.60	5.46%
Other Expenditure	238 269.00	224 728.00	226 842.80	0.94%
Repairs & Maintenance	59 400.00	37 264.00	36 283.70	-2.63%

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Total Operational Expenditure	927 069.00	826 392.00	858 364.10	3.87%
Total Operational Revenue	-14 840.00	-35 000.00	-36 505.20	4.30%
Net Operational Expenditure	912 229.00	791 392.00	821 858.90	3.85%

*Audited Annual Financial Statements 2018/19*

TABLE 138: FINANCIAL PERFORMANCE (CAPITAL) SWIMMING POOLS

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Swimming Pool Renewals	15 000,00	4 629,00	4 628,59	-0.01%
Replace pumps at swimmig pools	18 000,00	40 101,00	37 711,00	-5.96%
Swimming Pool Repairs (Acacia)	50 000,00	771,00	770,44	-0.07%
<b>TOTAL</b>	<b>83 000.00</b>	<b>45 501.00</b>	<b>43 110,03</b>	<b>-5.25%</b>

*Audited Annual Financial Statements 2018/19*

### 3.8.2.3 PERFORMANCE HIGHLIGHTS AND CHALLENGES

The swimming pools provided welcome respite during the dry summer months. An enduring challenge remains the water scarcity.

### 3.8.3 SPORT DEVELOPMENT

#### 3.8.3.1 INTRODUCTION

Porterville, Piketberg, Velddrif, Redelinghuys, Eendekuil, Aurora, Goedverwacht and Wittewater have Local Sports Councils respectively that manage the local sport facilities and are responsible for sport development. The Municipality supports these Sports Councils through an annual grant and by maintaining and upgrading the facilities on an on-going basis.

#### 3.8.3.2 SERVICE STATISTICS

The following table indicates the sports facilities /codes in each town: (It must be noted that the Piketberg and De Hoek golf courses are privately owned and not maintained by the Municipality. The Porterville and Velddrif Golf Courses are municipal property, but maintained by the respective golf clubs).

TABLE 139: SPORT FACILITIES AND CODES

TOWN	FACILITY
<b>Piketberg</b>	Tennis /Rugby/ Athletics/Soccer/ Netball / Pistol Shooting / swimming and cricket/Racing pigeons
<b>Aurora</b>	Rugby / Soccer / Netball
<b>Dwarskersbos</b>	Tennis
<b>Velddrif</b>	Tennis / Netball / Rugby / Soccer/ Cricket / Bowls / Gholf / Athletics / Racing pigeons

TOWN	FACILITY
Redelinghuys	Rugby / Soccer / Athletics / Netball
Eendekuil	Rugby / Soccer / Tennis / Netball / Athletics
Porterville	Rugby / Soccer / Athletics / Tennis / Netball / Gholf / swimming
Goedverwacht	Rugby

### 3.8.3.3 FINANCIAL PERFORMANCE

TABLE 140: FINANCIAL PERFORMANCE (OPERATIONAL): SPORT FIELDS

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
<b>SPORTS GROUNDS AND STADIUMS</b>				
Employee Related Costs	999 900.00	1 279 900.00	1 330 100.50	3.92%
Other Expenditure	1 012 386.00	1 125 948.00	623 600.30	-44.62%
Repairs & Maintenance	154 200.00	346 891.00	401 862.80	15.85%
Total Operational Expenditure	<b>2 166 486.00</b>	<b>2 752 739.00</b>	<b>2 355 563.60</b>	-14.43%
Total Operational Revenue	-	<b>-218 500.00</b>	<b>-200 265.30</b>	-8.35%
Net Operational Expenditure	<b>2 166 486.00</b>	<b>2 534 239.00</b>	<b>2 155 298.30</b>	-14.95%

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TABLE 141: FINANCIAL PERFORMANCE (CAPITAL) SPORT FIELDS

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Irrigation rising main to EHB Gold-schmidt	250 000,00	-	-	-
Sport Equipment	10 000,00	-	-	-
Furniture & Equipment - Sport Facilities and Swimming	5 000,00	3 379,00	3 378,26	-0.02%
Tools	20 000,00	15 556,00	15 555,10	-0.01%
MIG Ringfenced projects (sport)	4 709 000,00	4 709 000,00	4 701 626,96	-0.16%
Upgrading Sportgrounds	-	85 870,00	85 869,57	0.00%
<b>TOTAL</b>	<b>4 994 000.00</b>	<b>4 813 805.00</b>	<b>4 806 429,89</b>	<b>-0.15%</b>

*Audited Annual Financial Statements 2018/19*

### 3.8.3.2 PERFORMANCE HIGHLIGHTS

Performance highlights of the year include:

### 3.8.3.2.1 BERG RIVER CANOE MARATHON: 11-14 JULY 2018- VELDDRIF

On the 11-14 July 2018, the scene was set for the 2018 Berg River Canoe Marathon which goes from Paarl to Velddrif. This tournament has seen competitors and spectators announcing it as the ultimate canoeing challenge.

### 3.8.3.2.2 DEVELOPMENT CYCLING PROGRAMME: 19 JUNE 2018 - PIKETBERG

On Tuesday 19<sup>th</sup> June 2018 at the Tollie Adams Cricket grounds in Piketberg, Bergrivier Municipality signed a Memorandum Of Understanding (MOU) with the Sports Trust in support of the annual Sports Trust Community Cycle Race and social cohesion event which was hosted by Steynville Senior School in Piketberg on the 7<sup>th</sup> October 2018.

The Community Cycle Race Event aims to demonstrate the positive influence of community cycling and social cohesion. The aim is create exposure and provide opportunities for local businesses and corporates to participate in and support the growth of development cycling and the associated community activities. 2018 will be marked as the 14<sup>th</sup> year that the Sport Trust has been active in community projects within the Western Cape. Sports Trust has taken the sport of cycling into 12-under privileged and under-resourced high



schools and their communities from the Cape flats to Boland.

Front row: LEFT- Ms Ald. S. Crafford, Acting Mayor; Mr Jackie Mathebula, Chairman: The Sports Trust

Back row: Far left - Mr Dean Josephus, Director: Community Services; Adv Hanlie Linde, Municipal Manager; Mike Tippett, Manager of development cycling: The sports trust; Mrs Anita Matthews, Executive Director: The sports trust.

### 3.8.3.2.3 RURAL SPORT DEVELOPMENT PROGRAMME: 25 AUGUST 2018-VELDDRIF

The Rural Sport Development Programme has been conceptualised out of the mandate that was made by the Government to promote sport in the country. The Government emphasized that there should be availability of sport infrastructure to promote participation in sport activities. This guideline is expected to mirror the societal disparities experienced today.

The Rural Sport Development Programme is therefore one such programme aimed at uplifting sport in the rural as well as farming communities. The Development Programme took place on the 25 August 2018 in Velddrif, Smit Grounds. Participants took part in one of the following sporting codes: Athletics (Cross Country), Netball, Rugby and soccer. The age group ranged between u/13 and u/15 boys and girls.



### 3.8.3.2.4 GOLDEN GAMES: 30 AUGUST 2018-PORTERVILLE

The aim of the Golden Games is to promote older people that are active in sport. Golden Games serves to provide a space for senior citizens to socially interact with another and to participate in lively recreational activities, all contributing to living an active lifestyle. These games aim to enhance the quality of life of older persons, improve their health and encourage them to embrace 'active ageing'.

On the 30<sup>th</sup> August 2018 the games were held in Porterville, Pella Park. More than 700 participants came for a day filled with fun recreational games. On the 29<sup>th</sup> August 2018, Bergrivier handed out T-shirts to the Bergrivier participants. All the participants were happy and all attended the handover.



### 3.8.3.2.5 COMMUNITY CYCLE RACE: 7 OCTOBER 2018

The Community Development Cycle Race started in 2005 with Nedbank becoming a partner and endorsing Cycling South Africa. The Sports Trust is a NPO that implements sports development programs. The trust practices good corporate

governance and has made a meaningful impact by changing the lives of those less fortunate and implementing programs and sports equipment in schools and communities by ‘enhancing education through sport’.

The 3<sup>rd</sup> Annual Community Cycling Event took place at the Tollie Adams Piketberg Cricket grounds on the 7<sup>th</sup> October 2018. The Cycling race was hosted by Bergrivier Municipality in conjunction with Steynville Senior Secondary School, and was supported by The Sports Trust and Nedbank. The Executive Mayor, Ald. Ray van Rooy attended the event and also helped in announcing the winners in the different categories.

As part of the community upliftment, the Bergrivier Municipality has invested in this event for the next few



years by signing an MOU (Memorandum of understanding).

### 3.8.3.2.6 BETTER TOGETHER GAMES: 19 OCTOBER 2018

Annually government officials in the various districts of the province as well as in the metropole try their hand at soccer, mini-cricket, volleyball, tug of war, chess, athletics and many other codes at the Better Together Games (BTG) for government officials. The BTG is hosted by Sport and Recreation Services of the Western Cape Department of Cultural Affairs and Sport. The games took place on the 19<sup>th</sup> October 2018 at Vredenburg sports grounds

### 3.8.3.2.7 BETTER TOGETHER GAMES: 19 OCTOBER 2018

Annually government officials in the various districts of the province as well as in the metropole try their hand at soccer, mini-cricket, volleyball, tug of war, chess, athletics and many other codes at the Better Together Games (BTG) for government officials. The BTG is hosted by Sport and Recreation Services of the Western Cape Department of Cultural Affairs and Sport. The games took place on the 19<sup>th</sup> October 2018 at Vredenburg sports grounds. Bergrivier Municipality took second place in the men's soccer team and 1<sup>st</sup> place



for the men's cricket team.

### 3.8.3.2.7 GOLDEN GAMES NATIONALS – 21-27 OCTOBER 2018 BLOEMFONTEIN

The Golden Games are part of the Active Ageing Programme implemented by the Department of Social Development in partnership with the Department of Sport, Recreation, Arts and Culture and various stakeholders. The aim is to enhance the quality of life and improve the health of older persons by engaging them in programmes which promote optimal levels of social, physical, mental and emotional well-being to prevent or delay the onset of ageing challenges and keep old-age related illness at bay.



They focus on sport activities and events and target people who are 60 years and older from community-based facilities such as service clubs and centres. Older persons in rural areas, informal settlements and disadvantaged communities are also involved and encouraged to participate.

The Older persons travelled to Bloemfontein this year for the Nationals on the 21<sup>st</sup> -27<sup>th</sup> October 2018. The tournament hosted over thousands of older persons competing in different sporting codes as well as a choir festival.

#### 3.8.3.2.8 FISH FACTORY- 26 & 27 OCTOBER 2018 VELDDRIF

The 31<sup>st</sup> edition of the SA Fish Industries tournament kicked off at the Smit Sport Grounds in Velddrif on the West Coast on Friday, 26 October 2018, where 16 teams from the surrounding fish factories battled it out for top honors in the annual event. The competition, which was the brainchild of the late Dr Danie Craven, former Springbok center Ian Kirkpatrick and former Proteas skipper Dougie Dyers, was first held in Saldanha in 1987, with the objective of offering players working in the fishing industry an opportunity to participate in sport and to wear the colors of their employers.

The tournament features four pools of four teams, with each team playing two round-robin matches of 30 minutes on Friday and one on Saturday before the top teams go head-to-head in the knock-out stages. The top two teams battled it out in the Final. The opening day's play featured 16 matches, with defending



champions, Combined Abalone Processors, taking on Sea Pride, while Doringbaai met Spot-on-Deals.



### 3.8.3.2.9 COLOUR RUN: 1 DECEMBER 2018- PORTERVILLE

This year for the first time, Porterville had their colour Run. The objective of the event is to provide an



opportunity for communities to participate in fun runs, promote a healthy active lifestyle and enjoy a day out with family and community members. The event catered school kids from the community. The day started with aerobics in the morning, the 5km fun run/ walk and games followed after that.

#### 3.8.3.2.10 SPECIAL NEEDS AND EARLY DEVELOPMENT GAMES, 26 MARCH 2019: PIKETBERG, TOLLIE ADAMS CRICKET GROUNDS.

The event was attended by about 200 persons, consisting mostly of people with disability, their family members and carers, as well as children from the ECD sector, different pre-schools in Piketberg with their teachers and parents.

The event kicked off with an awareness march from the local clinic to the cricket field where the games took place. After contributions from Department of Social Development, Bergvliet Municipality and speakers from the disability and ECD sectors, a dialogue was hosted by SALGA about the accessibility of buildings for people with disabilities and other challenges they experience with the services rendered to them in the community.

Some of the challenges they highlighted were:

- The lack of facilities that cater for the needs of the elderly such as a day care centre in the area that caters for the needs of children and adults;
- Lack of transport for the disabled;
- Government and municipal buildings that are not disabled friendly;
- Recreational facilities and events for the disabled; and
- Moving away from the one day dedicated to the disabled approach (Annual Disability Day in December) to more events and programmes that focus right through the year on their needs.



3.8.3.2.11 SPORTS DAY RUGBY GAMES, 30 MARCH 2019: RHINO PARK SPORTS GROUNDS.

Bergrivier Municipality in partnership with Boland Rugby hosted a day filled with Rugby games. The day started at 09:00 with local teams competing. At 13:00 the Boland Kavaliers played their friendly against the



Vodacom Blue Bulls.

3.8.3.2.12 CBY CAR SHOW EVENT, 19 APRIL 2019: WATSONIA SPORTS GROUNDS, PIKETBERG.

Bergrivier Municipality in partnership with CBY Car show, hosted its very first car show in Piketberg. The day started with a car show case of the different vehicle engines then followed with a spinning show. The aim of the show was to promote youth development, by incorporating different programs in the show such as talks



about HIV /AIDS and teenage pregnancy. Funds that were raised were donated to local schools.

### 3.8.3.2.13 MCLAREN CIRCUS: 20- 21 MAY 2019- PIKETBERG

McLaren Circus show is a family event that hosts local and international artists along with their beautiful animals. The Event is a 2 hour production with 15 minutes interval.

### 3.8.3.2.14 MAJOR CONSTRUCTION PROJECTS

#### ○ CONSTRUCTION OF PELLA PARK CRICKET PITCH IN PORTERVILLE: 30 MAY 2019

The cricket pitch at Pella Park was constructed and new cricket nets with movable gates were installed. Community members were engaged and a handover was done for the Cricket club players and community cricket players. In remembrance of June 16 commemoration, the community were handed



over the newly constructed cricket pitch on 17 June 2019.

#### ● CONSTRUCTION OF RHINO PARK STADIUM: PODIUM AND STORAGE ROOM

Contractor : K2014000566 (PTY) LTD

Contract Value : R 91 777.42

Commencement date : 14 January 2019

Completion date : 15 February 2019

#### **Contract Description:**

The project was divided in phases;

*Phase 1:* Removal of old seating

*Phase 2: Installation of new seating*

*Phase 3: Completion and inspection*



- UPGRADING OF RHINO PARK CLOAK ROOMS AND ENTRANCE



- CONSTRUCTION OF NEW NETBALL/ TENNIS COMBINATION COURTS

Contractor : SACLAWA ENTERPRISES (PTY) LTD

Contract Value : R 4817 290.43 (incl.15% VAT & 10% Contingencies)

Commencement date : 3 December 2028

Completion date : 5 April 2019

**Contract Description:**

- *Smit Park Sports grounds: Velddrif*

The existing concrete courts were demolished and removed from site. The new courts were constructed



on the same site as the demolished courts.

○ *Eendekuil and Pella Park: Porterville*

The existing asphalt courts were demolished and removed from site. The new courts were constructed



on the same site as the demolished courts.

*Eendekuil Tennis Courts*

*Porterville Tennis Courts*



- REPAINTING OF REDELINGHUYS CLUBHOUSE

## 3.8.4 RECREATIONAL RESORTS

## 3.8.4.1 INTRODUCTION

The Municipality has 3 beach/recreational resorts, namely Stywelyne (Laaiplek), Dwarskersbos and Pelican Holiday Resort (Laaiplek). Pelican holiday resort will be developed into a public beach. The Municipality manages the resorts itself and strives to maintain a high standard at all times as these resorts contribute significantly to the tourism sector.

## 3.8.4.2 SERVICE STATISTICS

The Municipal recreational resorts are well utilised during summer months. Visitor statistics are derived from the Resort Management System and is contained in the table below.

TABLE 142: UTILISATION OF RECREATION RESORTS (VISITORS PER MONTH)

BOOKINGS	JUL 18	AUG 18	SEPT 18	OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19	JUN 19	TOTAL
<b>STYWELYNE</b>													
Sea View (7)	99	88	60	99	71	111	103	68	91	67	78	126	<b>1061</b>
Flats (6)	84	49	43	49	54	125	78	102	107	64	65	104	<b>924</b>
Camping Sites (52)	59	64	83	45	35	438	150	58	339	112	41	89	<b>1513</b>
<b>DWARSKERSBOS</b>													
Cottages (5)	48	66	59	57	62	93	53	38	75	69	73	52	<b>745</b>
Flats (12)	109	110	85	93	121	200	97	122	196	128	75	120	<b>1456</b>
Camping Sites (124)	57	300	408	220	259	2078	586	536	835	576	90	86	<b>6031</b>
<b>TOTAL</b>	<b>456</b>	<b>677</b>	<b>738</b>	<b>563</b>	<b>602</b>	<b>3045</b>	<b>1067</b>	<b>924</b>	<b>1643</b>	<b>1016</b>	<b>422</b>	<b>577</b>	<b>11730</b>

## 3.8.4.3 HUMAN RESOURCE CAPACITY

TABLE 143: HUMAN RESOURCES: RECREATION RESORTS

NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
23	23	0	0.00%

## 3.8.4.4 FINANCIAL PERFORMANCE

TABLE 144: FINANCIAL OPERATING BUDGET – RECREATION RESORTS

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
<b>HOLIDAY RESORTS</b>				

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employee Related Costs	3 148 900.00	3 111 900.00	3 265 505.30	4.94%
Other Expenditure	2 062 263.00	2 196 605.00	1 336 202.40	-39.17%
Repairs & Maintenance	463 900.00	411 471.00	423 175.40	2.84%
<b>Total Operational Expenditure</b>	<b>5 675 063.00</b>	<b>5 719 976.00</b>	<b>5 024 883.10</b>	<b>-12.15%</b>
Total Operational Revenue	<b>-4 645 827.00</b>	<b>-4 645 827.00</b>	<b>-4 457 842.80</b>	<b>-4.05%</b>
Net Operational Expenditure	<b>1 029 236.00</b>	<b>1 074 149.00</b>	<b>567 040.30</b>	<b>-47.21%</b>
DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
HOLIDAY RESORTS PW KOORTS				
Employee Related Costs	3 000.00	-	-	
Other Expenditure	22 226.00	22 226.00	-0.40	-100.00%
Repairs & Maintenance	7 300.00	7 300.00	-	-100.00%
<b>Total Operational Expenditure</b>	<b>32 526.00</b>	<b>29 526.00</b>	<b>-0.40</b>	<b>-100.00%</b>
Total Operational Revenue	<b>-13 725.00</b>	<b>-13 725.00</b>	<b>-8 187.80</b>	<b>-40.34%</b>
Net Operational Expenditure	<b>18 801.00</b>	<b>15 801.00</b>	<b>-8 188.20</b>	<b>-151.82%</b>

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TABLE 145: FINANCIAL PERFORMANCE (CAPITAL) RECREATION RESORTS

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Furniture & Equipment - Holiday Resorts	100 000,00	231 933,00	174 862,76	-24.61%
Replace Cupboards of chalets at Beach Resorts	50 000,00	132 083,00	117 300,00	-11.19%
Upgrading of ablution blocks at resorts	270 000,00	478 842,00	478 841,29	0.00%
Paving at ablution facilities at Beach Resorts	10 000,00	8 522,00	8 521,74	0.00%
Pelikaan Beach Resort Development	407 000,00	24 474,00	24 473,72	0.00%
Furniture & Equipment - Resort Halls	25 000,00	12 480,00	12 479,13	-0.01%
Tools and Equipment	30 000,00	22 693,00	22 692,92	0.00%
Vehicles (LDV)	330 000,00	254 051,00	291 663,35	14.81%
<b>TOTAL</b>	<b>1 222 000.00</b>	<b>1 165 078.00</b>	<b>1 130 834,91</b>	<b>-2.94%</b>

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### 3.8.6.5 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights for the year include:

- Upgrading of ablution facilities at Stywelyne Resort.

- Paving at ablution facilities at Stywelyne Resort.
- Replacement of old stainless steel windows.
- Replacement of cupboards in the chalets.



- Replacement of outdated



furniture in all chalets.



### 3.9 EXECUTIVE, CORPORATE AND FINANCIAL SERVICES

#### 3.9.1 EXECUTIVE AND COUNCIL

##### 3.9.1.1 INTRODUCTION

The Executive and Council comprise the Municipal Council and its support staff as well as the Office of the Municipal Manager which includes the Strategic Services Department and Internal Audit Unit. The activities of this section are detailed under Governance (Chapter 2)

##### 3.9.1.2 HUMAN RESOURCES

There were no employee or Councillor vacancies as at 30 June 2019.

TABLE 146: HUMAN RESOURCES: THE EXECUTIVE AND COUNCIL

	NO OF POSTS	NO OF EMPLOYEES / COUNCILLORS	NO OF VACANCIES	VACANCIES %
Employees	6	6	0	0%
Councillors	13	13	0	0%

##### 3.9.1.3 FINANCIAL PERFORMANCE

There was no capital expenditure for the Council and Executive. The Municipality's equitable share is included as part of the income.

TABLE 147: FINANCIAL PERFORMANCE (OPERATIONAL): THE EXECUTIVE AND COUNCIL

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employee Related Costs	902 300.00	891 300.00	703 651.90	-21.05%
Other Expenditure	7 446 031.00	7 632 766.00	7 536 075.80	-1.27%
Total Operational Expenditure	<b>8 348 331.00</b>	<b>8 524 066.00</b>	<b>8 239 727.70</b>	-3.34%
Total Operational Revenue	<b>-2 712 000.00</b>	<b>-2 712 000.00</b>	<b>-2 712 000.00</b>	0.00%
Net Operational Expenditure	<b>5 636 331.00</b>	<b>5 812 066.00</b>	<b>5 527 727.70</b>	-4.89%

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TABLE 148: FINANCIAL PERFORMANCE (CAPITAL): THE EXECUTIVE AND COUNCIL

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Diverse office furniture and equipment	50 000,00	50 000,00	45 808,86	-8.38%
WYKSKOMITEE PROJEK - WYK 4 (BRAAIPLEKKE)	7 500,00	-	-	-
WYKSKOMITEE PROJEK - WYK 6 (SPEELPARKE)	6 000,00	6 000,00	6 000,00	0.00%
WYKSKOMITEE PROJEK - WYK 6 (INGANG BY NOORDHOEK)	10 000,00	10 000,00	10 000,00	0.00%
WYKSKOMITEE PROJEK - WYK 3 (TV SKERMS)	5 500,00	5 500,00	4 408,70	-19.84%
<b>TOTAL</b>	<b>79 000.00</b>	<b>71 500.00</b>	<b>66 217,56</b>	<b>-7.39%</b>

### 3.9.2 FINANCIAL SERVICES

#### 3.9.2.1 INTRODUCTION

The Financial Services Directorate is responsible for the Budget and Treasury Office, Revenue Management, Expenditure Management and Supply Chain Management. The Department is also responsible for the Valuation Roll. The activities of this section are detailed under Financial Performance (Chapter 5).

#### 3.9.2.2 HUMAN RESOURCES

There were 7 vacancies in the Financial Services Directorate as at 30 June 2019.

TABLE 149: HUMAN RESOURCES: FINANCIAL SERVICES

NO OF POSTS.	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES%
52	45	7	13.46 %

## 3.9.2.3 FINANCIAL PERFORMANCE

TABLE 150: FINANCIAL PERFORMANCE (OPERATIONAL): FINANCIAL SERVICES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
Employees:	13 032 786.00	11 760 800.00	11 755 260.60	-0.05%
Other:	10 058 146.00	13 410 418.00	11 505 000.00	-14.21%
Repairs & Maintenance:	35 000.00	30 500.00	34 307.50	12.48%
Total Operational Expenditure	<b>23 125 932.00</b>	<b>25 201 718.00</b>	<b>23 294 568.10</b>	-7.57%
Total Operational Revenue	<b>-79 119 369.00</b>	<b>-79 169 339.00</b>	<b>-86 680 132.30</b>	9.49%
Net Operational Expenditure	<b>-55 993 437.00</b>	<b>-53 967 621.00</b>	<b>-63 385 564.20</b>	17.45%

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TABLE 151: CAPITAL EXPENDITURE: FINANCIAL SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
VESTA - PHOENIX	652 174,00	652 174,00	545 845,68	-16.30%
Furniture & Equipment - Finance	32 000,00	42 343,00	17 168,08	-59.45%
Vehicle	160 000,00	149 657,00	171 610,55	14.67%
TOTAL	844 174.00	844 174.00	<b>734 624,31</b>	<b>-12.98%</b>

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## 3.9.3 HUMAN RESOURCE SERVICES

## 3.9.3.1 INTRODUCTION

Human Resource Management falls within the Corporate Services Directorate. Human Resource Services are responsible for human resource management, labour relations, training and development and occupational health and safety. The activities of this section are detailed under Organisational Development Performance (Chapter 4).

## 3.9.3.2 HUMAN RESOURCES

There were two vacancies in this financial year. The Labour Relations and Employee Wellness Officer post was filled from 01 June 2019. The Manager Human Resource Services post was filled through a headhunting process as from 1 March 2019.

TABLE 152: HUMAN RESOURCES: HUMAN RESOURCE SERVICES

NO OF POSITIONS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
6	6	0	0%

Human Resources had a capital budget of R 30 000 for the 2018/19 financial year of which R 27 283.50 was spent, which results in a 90.95% spending.

### 3.9.4 ADMINISTRATION AND INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

#### 3.9.4.1 INTRODUCTION

Administrative Services are the responsibility of the Administrative Services Department of the Corporate Services Directorate. Information and Communication Technology is a section of the Administrative Services Department. The Administration activities of this Department are to a large extent covered in Chapter 2 (Governance), and the focus of this paragraph will therefore be on Information and Communication Technology (ICT). ICT is the strategic enabler of Municipal IDP goals and objectives. The department has deployed a Management Information, a Corporate GIS system and Security software that support business and minimize ICT related risks. Throughout the 2018/19 financial year the ICT department has collaborated with different directorates to enhance service delivery. In 2013, the ICT Department conducted an ICT Assessment in partnership with State Information Technology Agency (SITA) with the result an approved ICT 5 year Strategic plan. The objective of this plan is to ensure that ICT spending is aligned to the strategic goals of the Municipality as set out in the IDP. A new vision, mission mandate, objectives and 23 ICT Initiatives were created to speak to the whole enterprise (covering the goals of every department); which are;

- **ICT Vision :**

To create an efficient, effective, reliable, well governed and intelligent Administration.

- **ICT Mission :**

To provide and maintain the foundation for an effective administration, innovation, opportunities and development in Bergrivier Municipality by using applicable and value-derivable technology and governance.

- **ICT Mandate :**

To use ICT to enable and support administration and development.

- **ICT Objectives:**

- To establish within the organisation an ICT culture and a strategy that integrates ICT with the organisation's mission and functions;
- To ensure that ICT complements and enhances the organisation's service to its clients;
- To integrate business applications;
- To ensure the availability, quality and security of information;
- To improve ICT Governance;
- To ensure business continuity; and
- To encourage innovation and development.

The ICT Committee has been formerly constituted by Council during the 2013/14 financial year,

with the approval of an ICT Committee Charter. The charter sets out the mandate, objectives and roles of the ICT Committee. The Committee met 7 times (minimum quarterly) during the 2018/19 financial year.

- **23 ICT Initiatives:**

TABLE 153: INITIATIVES OF THE INFORMATION & COMMUNICATION TECHNOLOGY STRATEGY

INITIATIVE	DESCRIPTION	ACHIEVED / NOT ACHIEVED
1	Capacitate ICT Organisation (ICT Governance, Training & Development)	Achieved
2	ICT Infrastructure Capacitating (DR, Virtualisation, Standardisation, Connectivity, Remote Access)	Achieved
3	Implement an Integrated Corporate GIS	Achieved
4	Implement a Project Management System	Not Achieved due to funding
5	Implement Municipal e-Government Internet Website and Intranet with Social Media functionalities	Partly Achieved
6	Implement an Integrated Human Resource Management Solution (Time & Attendance, HR Payroll, WSP Skills)	Not Achieved due to funding
7	Implement Knowledge Management Solution with (Data Warehouse, BI and MIS)	Not Achieved due to funding
8	Implement a Citizen Relationship Management Solution with Social Media functionalities	Not Achieved due to funding
9	Enhancements to Financial Management Solution (PROMIS)	Not Achieved
10	Implement a Fleet Management Solution	Achieved
11	Implement an Interactive Video Conference Solution (with mobile station from satellite offices)	Not Achieved due to funding
12	Implement an Internal Audit System	Not Achieved due to funding
13	Implement Infrastructure Asset Management System	Not Achieved due to funding
14	Implement an Electronic Management Document (enhance IMIS)	Achieved
15	Implement a Housing Database Management System	Not Achieved due to funding
16	Improve Information System Security – Conduct Information Assessment	Not Achieved due to funding
17	Implement ICT Service Management Frameworks	Achieved
18	Implement an Integrated Enterprise Resource System	Partly Achieved
19	Implement Mobile and Wireless Applications for Citizens	Not Achieved due to funding
20	Implement an Automated Inventory Management System	Not Achieved due to funding
21	Implement an Automated Annual Reporting System	Not Achieved due to funding
22	Implement an Integrated Meter Reading System linked to PROMIS	Not Achieved due to funding
23	LED knowledge management system	Not Achieved due to funding

### 3.9.4.2 HUMAN RESOURCES

There were two vacancies in the Administrative Services Department as at 30 June 2019.

TABLE 154: HUMAN RESOURCES: ADMINISTRATION AND INFORMATION & COMMUNICATION  
TECHNOLOGY SERVICES

SECTION	NO OF POSTS	NO OF EMPLOYEES	NO OF VACANCIES	VACANCIES %
Administration & IT	23	21	2	8.69%

### 3.9.4.3 FINANCIAL PERFORMANCE

TABLE 155: FINANCIAL PERFORMANCE (OPERATIONAL): ADMINISTRATION AND ICT SERVICES

DESCRIPTION	2018/19 BUDGET	2018/19 ADJUSTED BUDGET	2018/19 ACTUAL	VARIANCE
<b>ADMINISTRATIVE AND CORPORATE SUPPORT</b>				
Employee Related Costs	5 168 100.00	5 445 100.00	4 926 260.10	-9.53%
Other Expenditure	3 118 141.00	2 750 740.00	2 167 912.90	-21.19%
Repairs & Maintenance	65 000.00	78 500.00	73 550.30	-6.31%
<b>Total Operational Expenditure</b>	<b>8 351 241.00</b>	<b>8 274 340.00</b>	<b>7 167 723.30</b>	<b>-13.37%</b>
Total Operational Revenue	-9 722.00	-3 000.00	-3 261.60	8.72%
<b>Net Operational Expenditure</b>	<b>8 341 519.00</b>	<b>8 271 340.00</b>	<b>7 164 461.70</b>	<b>-13.38%</b>
<b>INFORMATION TECHNOLOGY</b>				
Employee Related Costs	1 375 800.00	1 259 800.00	1 205 686.30	-4.30%
Other Expenditure	1 854 984.00	2 249 113.00	2 291 853.70	1.90%
Repairs & Maintenance	21 500.00	65 500.00	60 319.80	-7.91%
<b>Total Operational Expenditure</b>	<b>3 252 284.00</b>	<b>3 574 413.00</b>	<b>3 557 859.80</b>	<b>-0.46%</b>
Total Operational Revenue	-	-	-	
<b>Net Operational Expenditure</b>	<b>3 252 284.00</b>	<b>3 574 413.00</b>	<b>3 557 859.80</b>	<b>-0.46%</b>

*Audited Annual Financial Statements 2018/19*

TABLE 156: FINANCIAL PERFORMANCE (CAPITAL): ADMINISTRATION AND ICT SERVICES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE
Replacement of computers	340 000,00	340 000,00	339 707,63	-0.09%
IT System Upgrade (Findings of SITA report : Disaster Recove	500 000,00	750 000,00	747 812,74	-029%
Installation of fire suppression system in archives and server	250 000,00	-	-	-
<b>TOTAL</b>	<b>1 090 000.00</b>	<b>1 090 000.00</b>	<b>1 087 520,37</b>	<b>-0.23%</b>

*Audited Annual Financial Statements 2018/19*

## 3.9.4.4 PERFORMANCE HIGHLIGHTS AND CHALLENGES

Performance highlights include:

- Development of Job Application portal;
- Enhancements of the website homepage;
- Upgrade of the Document Management and GIS System;
- Extension of ICT Infrastructure ;
- The development of a departmental strategic plan;
- Strategic Session;
- Timeously distribution of all agendas electronically via a link for all meetings of council;
- Finalizing minutes within three days after the meeting was held; and
- The following administrative policies were developed and reviewed by the various departments during the 2018/19 financial year:

TABLE 157: POLICIES ADOPTED DURING 2018/19

POLICY	RESOLUTION	DATE OF ADOPTION
Asset Management Policy	RVN014/05/2019	28 May 2019
Borrowing Policy	RVN014/05/2019	28 May 2019
Cash Management and Investment Policy	RVN014/05/2019	28 May 2019
Credit Control and Debt Collection Policy	RVN014/05/2019	28 May 2019
Property Rates Policy	RVN014/05/2019	28 May 2019
Tariff Policy	RVN014/05/2019	28 May 2019
Virement Policy	RVN014/05/2019	28 May 2019
Supply Chain Management Policy	RVN014/05/2019	28 May 2019
Funding Reserves and Long Term Financial Planning Policy	RVN014/05/2019	28 May 2019
Budget Implementation and Monitoring Policy	RVN014/05/2019	28 May 2019
Petty Cash Policy	RVN014/05/2019	28 May 2019
Business License	BKN017/08/2018	17 August 2019
Communication Policy	BKN048/06/2019	13 June 2019
Medical Aid Schemes Membership and Registration of Dependents	BKN019/09/2018	13 September 2018
Reis en Verblyf Raadslede	BKN014/04/2019	11 April 2019
Reis en Verblyf (Amptenare)	BKN020/09/2018 BKN028/11/2018	13 September 2019 15 November 2019
Risk Management Policy	BKN049/06/19	13 June 2019

POLICY	RESOLUTION	DATE OF ADOPTION
Risk Appetite Framework	BKN049/06/19	13 June 2019
Risk Strategy With Implementation Plan	BKN049/06/19	13 June 2019
Risk Committee Charter	BKN049/06/19	13 June 2019
Eksterne Beursfonds	BKN019/04/2019	19 April 2019
Social Media Policy	BKN027/02/2019	14 February 2019
SPORT AND RECREATION	RVN044/07/2019	30 July 2019
Transport Allowance	BKN020/09/2018	13 September 2019

**Performance challenges include:**

- Decentralized ICT Budget, Resources and Risk Management;
- Decentralized management of ICT Applications;
- Manual Business Processes;
- Lack of Business information / intelligence;
- Ad-hoc technology decisions;
- Process to fill vacancies;
- Lack of system and Data integration;
- Outdated IT network equipment;
- Disaster recovery facilities for ICT; and
- Shortage of Human resources in IT Section.

### 3.10 DETAILED ANNUAL PERFORMANCE REPORT

#### 3.10.1 INTRODUCTION

This report comprises the Annual Performance Report of Bergrivier Municipality for 2018/19 which has been compiled in accordance with Section 46 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

#### 3.10.2 LEGISLATIVE FRAMEWORK

Section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000), provides that:

*“46(1) A municipality must prepare for each financial year, a performance report reflecting -*

- the performance of the municipality and of each external service provider during that financial year;*
- a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
- measures taken to improve performance.*

(2) *An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."*

### 3.10.3 OVERVIEW OF PERFORMANCE MANAGEMENT AND REPORTING SYSTEM

The Performance Management System used by Bergrivier Municipality is an internet based system that uses the approved Service Delivery Budget Implementation Plan (SDBIP) as its basis. Section 1 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) defines the service delivery and budget implementation plan (SDBIP) as:

*"a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:*

- a) Projections for each month of:
 
  - i. Revenue to be collected, by source; and*
  - ii. Operational and capital expenditure, by vote;**
- b) Service delivery targets and performance indicators for each quarter".*
- c) Budget processes and related matters"*

The SDBIP is a layered plan comprising of a Top Layer SDBIP and Departmental SDBIPs. The Top Layer SDBIP comprises quarterly high level service delivery targets. It is a public document which was approved by the Acting Executive Mayor on 14 June 2018 and amended in February 2019 through the Section 72 report. Reporting on the top layer SDBIP is done to the Mayoral Committee and Council on a quarterly (Section 52) Report), half yearly (Section 72 Mid-year Budget and Performance Assessment Report) and annual basis (Annual Report). Any amendments to the Top Layer SDBIP must be identified following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget in February 2019.

The Performance Report of the Municipality is presented according to the Strategic Objectives of the Municipality as contained in the 4<sup>th</sup> Generation Integrated Development Plan (IDP).

The strategic objectives of the Municipality are:

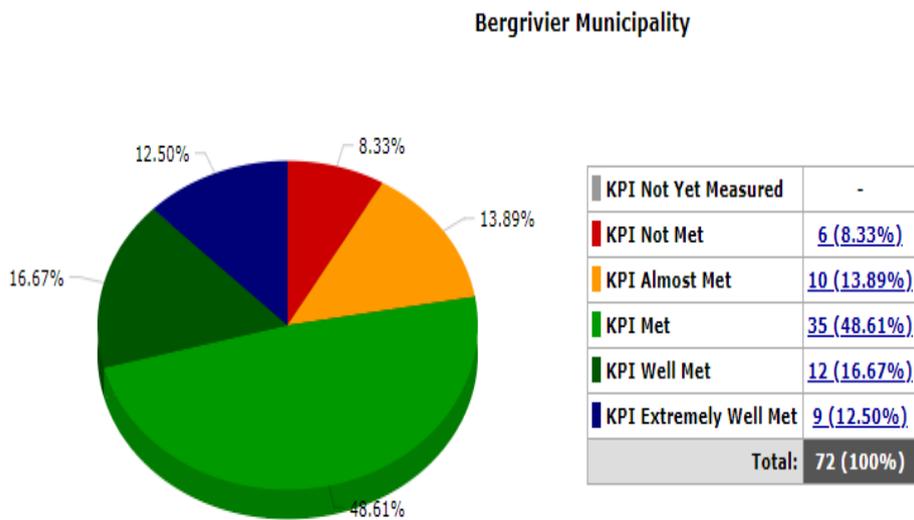
- 1. To budget strategically, grow and diversify our revenue and ensure value for money services;*
- 2. To create an effective, effective and accountable administration;*
- 3. To provide a transparent and corruption free municipality;*
- 4. To communicate effectively with the public;*
- 5. To develop and provide bulk infrastructure;*
- 6. To maintain existing bulk infrastructure and services;*
- 7. To be responsive to the developmental needs of the community;*
- 8. To improve the regulatory environment for ease of doing business;*

9. To facilitate an environment for the creation of jobs;
10. To improve transport systems and enhance mobility of poor isolated communities in partnership with sector departments;
11. To alleviate poverty;
12. To promote healthy life styles through the provision of sport and other facilities and opportunities;
13. To promote a safe environment for all who live in Bergrivier;
14. To create innovative partnerships with sector departments for improved education outcomes and opportunities for youth development;
15. To develop, manage and regulate the built environment;
16. To conserve and manage the natural environment and mitigate the impacts of climate change.

3.10.4 PERFORMANCE AS MEASURED AGAINST THE MUNICIPALITY’S STRATEGIC OBJECTIVES

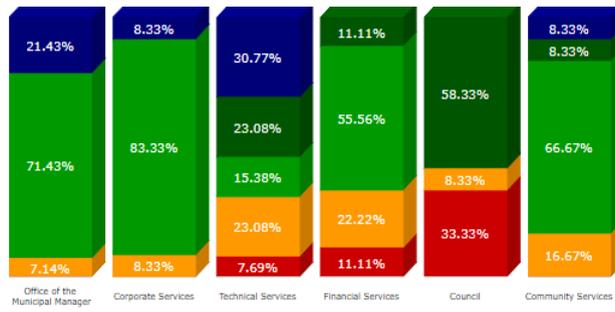
3.10.4.1 PERFORMANCE OVERVIEW

The following graph provides an overview of the Municipality’s overall performance for the 2018/19 financial



year.

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	Office of the Municipal Manager	Corporate Services	Technical Services	Financial Services	Council	Community Services
<b>KPI Not Yet Measured</b>	-	-	-	-	-	-
<b>KPI Not Met</b>	-	-	1 (7.69%)	1 (11.11%)	4 (33.33%)	-
<b>KPI Almost Met</b>	1 (7.14%)	1 (8.33%)	3 (23.08%)	2 (22.22%)	1 (8.33%)	2 (16.67%)
<b>KPI Met</b>	10 (71.43%)	10 (83.33%)	2 (15.38%)	5 (55.56%)	-	8 (66.67%)
<b>KPI Well Met</b>	-	-	3 (23.08%)	1 (11.11%)	7 (58.33%)	1 (8.33%)
<b>KPI Extremely Well Met</b>	3 (21.43%)	1 (8.33%)	4 (30.77%)	-	-	1 (8.33%)
<b>Total:</b>	<b>14 (19.44%)</b>	<b>12 (16.67%)</b>	<b>13 (18.06%)</b>	<b>9 (12.50%)</b>	<b>12 (16.67%)</b>	<b>12 (16.67%)</b>

TABLE 158: BERGRIVIER MUNICIPALITY TL SDBIP 2018/19

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Office of the Municipal Manager

Ref	Strategic Objectives	Strategic Goal	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-18				Dec-18				Mar-19				Jun-19				Overall Performance for Sep 2018 to Jun 2019		
											Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R
TL1	To develop and provide bulk infrastructure	Sustainable Service Delivery	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2019 [(Actual amount spent on capital projects/Total amount spent on capital projects/ Total amount budgeted for capital projects) X 100]	% of Capital budget spent as at 30 June 2019 [(Actual amount spent on capital projects/Total amount budgeted for capital projects) X100]	Municipal Manager	95%	91.68	95%	95%	Last Value	0%	0%	N / A		10%	28%	B	[D50] Municipal Manager: None required. (November 2018) [D50] Municipal Manager: None required. (December 2018)	40%	21.13%	R	[D50] Municipal Manager: None required (January 2019) [D50] Municipal Manager: None, the capital funds will be spend 100% by the end of May 2019. (March 2019)	95%	90.97%	O	[D50] Municipal Manager: None required. (April 2019) [D50] Municipal Manager: The capital expenditure for 2018/2019 was not satisfactory and was discussed at the Directors meeting held on 3 June 2019. It was decided to complete a full project plan for each capital project in the 2019/2020 financial year. An e-mail in this regard was distributed by die Municipal Manager on 4 June 2019 and all project plans duly completed on the distributed template will be submitted and signed off by the relevant manager by Friday, 14 June 2019. (May 2019) [D50] Municipal Manager: As contained in e-mail attached. (June 2019)	95%	90.97%	O

TL2	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	100% compliance with Selection & Recruitment Policy when vacant posts within the 3 highest levels of management are filled subject to suitably qualified candidates	% compliance with the selection and recruitment policy	Municipal Manager	100%	100%	100%	100%	Stand-Alone	100%	100%	G	[D1] Municipal Manager: None required. (July 2018) [D1] Municipal Manager: None required (August 2018) [D1] Municipal Manager: None required (September 2018)	100%	100%	G	[D1] Municipal Manager: None required (October 2018) [D1] Municipal Manager: None required. (November 2018) [D1] Municipal Manager: None required. (December 2018)	100%	100%	G	[D1] Municipal Manager: None required. (January 2019)	100%	100%	G	[D1] Municipal Manager: None required (April 2019) [D1] Municipal Manager: None required (May 2019) [D1] Municipal Manager: None required (June 2019)	100%	100%	G
TL3	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	Improve staff productivity & responsiveness through quarterly leadership development meetings and/or initiatives	Number of Leadership Forum Meetings and/or other leadership initiatives	Municipal Manager	4	16	4	4	Accumulative	1	11	B	[D2] Municipal Manager: None required (July 2018) [D2] Municipal Manager: None required (August 2018) [D2] Municipal Manager: None required (September 2018)	1	5	B	[D2] Municipal Manager: None required. (November 2018) [D2] Municipal Manager: None required. (December 2018)	1	8	B	[D2] Municipal Manager: None required. (January 2019) [D2] Municipal Manager: None required (February 2019)	1	5	B	[D2] Municipal Manager: None required (April 2019) [D2] Municipal Manager: None required (May 2019) [D2] Municipal Manager: None required (June 2019)	4	29	B
TL4	To provide a transparent and corruption free municipality	Strengthen Financial Sustainability and further enhance Good Governance	MFMA Section 131(1): Ensure that any issues raised by the Auditor General in an Audit Report are addressed by 30 June 2019	% of issues raised by the Auditor General in an audit report addressed.	Municipal Manager	100%	100%	100%	100%	Carry Over	0%	0%	N/A	[D3] Municipal Manager: Performance comment was incorrectly added to D3 as it had to be at D4 (August 2018)	0%	100%	B	[D3] Municipal Manager: None required. (November 2018)	0%	0%	N/A		100%	100%	G	[D3] Municipal Manager: None required (May 2019) [D3] Municipal Manager: None required (June 2019)	100%	100%	G
TL5	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	Develop a risk based audit plan with an internal audit plan (RBAP) (MFMA - Section 165(2)(a)) & submit to Audit Committee by 30 June 2019	RBAP with internal audit programme submitted to the Audit Committee by 30 June 2019	Municipal Manager	1	1	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G
TL6	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	Convene a Councillor & Senior Management strategic planning session for IDP & budget process by 30 Nov 2018	Strategic planning session held by 30 November 2018	Municipal Manager	1	1	1	1	Carry Over	0	0	N/A		1	1	G		0	0	N/A		0	0	N/A		1	1	G

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TL7	To communicate effectively with the public	Strengthen Financial Sustainability and further enhance Good Governance	Communicate with the public on a regular basis through printed media	Number of editions and/or communications	Municipal Manager	8	24	8	40	Accumulative	0	12	B	[D32] Head: Communication: None Required. (September 2018)	0	32	B	[D32] Head: Communication: None Required. (December 2018)	0	17	B	[D32] Head: Communication: None Required. (March 2019)	40	21	R	[D32] Head: Communication: None required. (June 2019)	40	82	B
TL8	To communicate effectively with the public	Strengthen Financial Sustainability and further enhance Good Governance	Regular ward committee meetings and/or engagements	Number of ward committee meetings and/or engagements	Municipal Manager	28	42	42	42	Accumulative	14	14	G		7	7	G		7	7	G		14	14	G		42	42	G
TL9	Unspecified	Facilitate an enabling environment for economic growth	Facilitate economic development for the SMME's in Porterville through the implementation of the LFA project methodology by 30 June 2019	Submission of LFA project time frame to ICLD and completion of project methodology by 30 June 2019.	Municipal Manager	New KPI	New KPI	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G
TL10	To communicate effectively with the public	Strengthen Financial Sustainability and further enhance Good Governance	Develop a well-functioning communications department by submitting a social media policy to EMC by 30 June 2019	A social media policy submitted to EMC by 30 June 2019	Municipal Manager	New KPI	New KPI	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G	[D33] Head: Communication: None Required. (June 2019)	1	1	G
TL11	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	Commencement of recruitment and selection process of all vacant funded positions to ensure sustainable service delivery within 30 days of vacancy occurring. (Strategic positions will be all positions agreed upon between Municipal Manager and Director and exclude the 3 highest levels of management)	Proof of Selection and Recruitment Requisition submitted to HR within 30 days of vacancy occurring	Municipal Manager	New KPI	New KPI	100%	100%	Stand-Alone	100%	100%	G	[D4] Municipal Manager: None required (July 2018) [D4] Municipal Manager: None required (August 2018) [D4] Municipal Manager: None required (September 2018)	100%	100%	G	[D4] Municipal Manager: None required (October 2018) [D4] Municipal Manager: None required (November 2018) [D4] Municipal Manager: None required (Dec2018)	100%	100%	G	[D4] Municipal Manager: None required (January 2019)	100%	100%	G	[D4] Municipal Manager: None required (April 2019) [D4] Municipal Manager: None required (May 2019) [D4] Municipal Manager: None required (June 2019)	100%	100%	G
TL12	To provide a transparent and corruption free municipality	Strengthen Financial Sustainability and further enhance Good Governance	Develop a culture of zero tolerance to corruption and dishonesty by the efficient completion of disciplinary steps in terms of the Anti-Fraud and Corruption Policy	% of transgressions initiated in terms of the Anti-Fraud and Corruption Policy	Municipal Manager	1	100%	100%	100%	Stand-Alone	100%	100%	G	[D5] Municipal Manager: None required (July 2018) [D5] Municipal Manager: None required (August 2018) [D5] Municipal Manager: None	100%	100%	G	[D5] Municipal Manager: None required. (October 2018) [D5] Municipal Manager: None required. (November 2018) [D5] Municipal Manager:	100%	100%	G	[D5] Municipal Manager: None required (January 2019)	100%	100%	G	[D5] Municipal Manager: None required (April 2019) [D5] Municipal Manager: Procedure followed in terms of our policy and collective agreement on discipline. (May 2019) [D5] Municipal Manager: None required. (June	100%	100%	G



TL1 6	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	The development and approval of at least 1 SOP per quarter for Human Resources	Number of SOPs for Human Resources developed and approved by the Director: Corporate Services	Director Corporate Services	4	4	4	4	Accumulative	1	1	G		1	1	G		1	1	G		4	4	G				
TL1 7	To develop, manage and regulate the built environment	Sustainable and inclusive living environment	Compile a new 5-year SDF (Spatial Development Framework) and present draft SDF to Council by 31 December 2018	Draft 5-year SDF presented to Council by 31 December 2018	Director Corporate Services	1	1	1	1	Carry Over	0	0	N/A		0	1	B		0	0	N/A		1	0	R		1	1	G
TL1 8	To develop, manage and regulate the built environment	Sustainable and inclusive living environment	Monitoring of the approved RSEP project plan for Piketberg within the approved budget and submit at least 4 reports to the Portfolio Committee	At least 4 reports submitted to the Portfolio Committee	Director Corporate Services	1	4	4	4	Accumulative	0	1	B		0	1	B		0	1	B		4	1	R		4	4	G
TL2 0	To provide a transparent and corruption free municipality	Strengthen Financial Sustainability and further enhance Good Governance	Develop a culture of zero tolerance to corruption and dishonesty by the efficient completion of disciplinary steps in terms of the Anti-Fraud and Corruption Policy	% of transgressions initiated in terms of the Anti-Fraud and Corruption Policy	Director Corporate Services	100%	100%	100%	100%	Stand-Alone	100%	100%	G		100%	100%	G		100%	100%	G		100%	100%	G		100%	100%	G
TL2 1	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	Monitor the process to enable interfacing between the Vesta Financial System and sub-systems on a regular basis to ensure all requirements are met in accordance with the ITC policy	At least 4 reports submitted to Portfolio Committee	Director Corporate Services	4	8	4	4	Accumulative	0	0	N/A		0	0	N/A		0	0	N/A		4	4	G		4	4	G
TL2 2	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	95% of training budget spent by 30 June 2019 to implement the Work Place Skills Plan (Total amount spent on training/Total amount budgeted)x100)	% of the training budget spent by 30 June 2019 to implement the Work Place Skills Plan	Director Corporate Services	95%	100%	95%	95%	Last Value	0%	0%	N/A		20%	20%	G		50%	73.20%	G2		95%	93.53%	O	[D62] Human Resource Management: Training for the unemployed should be more accessible to accommodate the majority of future applicants The Municipality's database for the unemployed should also be considered when recruiting people for the training. Individuals whom are part of the EPWP	95%	93.53%	O



Technical Services

Ref	Strategic Objectives	Strategic Goal	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-18				Dec-18				Mar-19				Jun-19				Overall Performance for Sep 2018 to Jun 2019		
											Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R
TL28	To maintain existing bulk infrastructure and services	Sustainable Service Delivery	Limit unaccounted for water to 10% by 30 June 2019 {(Number of Kilolitres Water Purchased or Purified minus Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified} x 100	% unaccounted water by 30 June 2019 {(Number of Kilolitres Water Purchased or Purified minus Number of Kilolitres Water Sold (including Free basic water) / Number of Kilolitres Water Purchased or Purified} x 100	Director: Technical Services	10%	6.98	10%	10%	Reverse Last Value	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A		10%	9.42%	B	[D136] Director: Technical Services: Public participation (June 2019)	10%	9.42%	B
TL29	To develop and provide bulk infrastructure	Sustainable Service Delivery	95% of MIG funding allocated for the financial year to build a new waste water treatment works in Porterville by 30 June 2019 [(Total amount spent/ Total amount allocated)x100]	% of MIG funding allocated for the financial year to build a new waste water treatment works in Porterville by 30 June 2019	Director: Technical Services	95%	100%	95%	95%	Last Value	0%	0%	N/A		0%	0%	N/A		10%	54.81%	B	[D137] Director: Technical Services: Monitor and report monthly basis at Technical Committee meetings and MIG. (April 2019)	95%	100%	G2	[D137] Director: Technical Services: Monitor and report monthly basis at Technical Committee meetings and MIG. (March 2019)	95%	100%	G2
TL30	To maintain existing bulk infrastructure and services	Sustainable Service Delivery	Limit unaccounted for electricity to 10% by 30 June 2019 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or	% unaccounted electricity by 30 June 2019 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl. Free basic elec-	Director: Technical Services	10%	9.65	10%	10%	Reverse Last Value	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A		10%	12.35%	R	[D138] Director: Technical Services: Electrical meters to be replaced with prepaid meters on a continuous basis. Continuous monitoring of the losses (June 2019)	10%	12.35%	R







TL3 7	To maintain existing bulk infrastructure and services	Sustainable Service Delivery	Do bi-annual inspections per major town for building transgressions and submit report to Portfolio Committee with findings and law enforcement actions instituted	Number of reports submitted to the Portfolio Committee	Director: Technical Services	2	1	2	2	Accumulative	0	0	N/A		1	1	G	[D145] Director: Technical Services: See that inspections and reports were done by building control officers and submitted to Technical Committee. (Dec 2018)	0	0	N/A		1	2	B	[D145] Director: Technical Services: Minutes of technical committee (June 2019)	2	3	B
TL3 8	To facilitate an environment for the creation of jobs	Facilitate an enabling environment for economic growth	Create full time equivalents (FTE's) in terms of the EPWP programme by 30 June 2019	Number of FTE's created by 30 June 2019	Director: Technical Services	36	91	36	61	Accumulative	0	0	N/A		0	0	N/A		0	0	N/A		61	142	B		61	142	B
TL3 9	To provide a transparent and corruption free municipality	Strengthen Financial Sustainability and further enhance Good Governance	Develop a culture of zero tolerance to corruption and dishonesty by the efficient completion of disciplinary steps in terms of the Anti-Fraud and Corruption Policy	% of transgressions initiated in terms of the Anti-Fraud and Corruption Policy	Director: Technical Services	100%	100%	100%	100%	Stand-Alone	100%	100%	G	[D147] Director: Technical Services: Hr to submit disciplinary report. (July 2018) [D147] Director: Technical Services: Hr to submit disciplinary report. (August 2018) [D147] Director: Technical Services: Monitor process and progress report from HR. (September 2018)	100%	100%	G	[D147] Director: Technical Services: Monitor process and progress report from Human Resource Manager. (October 2018) [D147] Director: Technical Services: Monitor process and ensure a timeous progress report from Human Resource Manager. (November 2018) [D147] Director: Technical Services: Monitor process and ensure a timeous progress report from Human Resource Manager. (December 2018)	100%	100%	G	[D147] Director: Technical Services: Monitor process and ensure a timeous progress report from Human Resource Manager. (Jan 2019) [D147] Director: Technical Services: Monitor process and progress report from Human Resource Manager. (Feb 2019) [D147] Director: Technical Services: Monitor process and ensure a timeous progress report from Human Resource Manager. (March 2019)	100%	100%	G	[D147] Director: Technical Services: Monitor process and ensure a timeous progress report from Human Resource Manager. (April 2019) [D147] Director: Technical Services: Monitor process and ensure a timeous progress report from Human Resource Manager. (May 2019)	100%	100%	G

TL4 0	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	Commencement of recruitment and selection process of all vacant funded positions to ensure sustainable service delivery within 30 days of vacancy occurring (Strategic positions will be all positions agreed upon between Municipal Manager and Director and exclude the 3 highest levels of management)	Proof of Selection and Recruitment Requisition submitted to HR within 30 days of vacancy occurring	Director: Technical Services	New KPI	New KPI	100 %	100 %	Stand-Alone	100 %	66.67 %	R	<b>[D148] Director: Technical Services:</b> Follow up with HR for the advertisements, shortlists and interviews. (July 2018) <b>[D148] Director: Technical Services:</b> Follow up with HR for the advertisements, shortlists and interviews. (August 2018) <b>[D148] Director: Technical Services:</b> Discuss at Directorate meeting. (September 2018)	100 %	50%	R	<b>[D148] Director: Technical Services:</b> Difficult to measure and control the boundaries of the KPI. (October 2018) <b>[D148] Director: Technical Services:</b> Difficult to measure and control the boundaries of the KPI. (November 2018) <b>[D148] Director: Technical Services:</b> Difficult to measure and control the boundaries of the KPI. (December 2018)	100 %	83.33 %	O	<b>[D148] Director: Technical Services:</b> Difficult to measure and control the boundaries of the KPI. (Jan 2019) <b>[D148] Director: Technical Services:</b> Ensure timeous submissions of approved strategic positions. (Feb 2019) <b>[D148] Director: Technical Services:</b> No corrective measures - no strategic positions. (March 2019)	100 %	100 %	G	<b>[D148] Director: Technical Services:</b> No corrective measures - no strategic positions (April 2019) <b>[D148] Director: Technical Services:</b> No corrective measures - no strategic positions (May 2019)	100 %	75%	O
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**Summary of Results: Technical Services**

KPI Not Yet Measured	0
KPI Not Met	1
KPI Almost Met	3
KPI Met	2
KPI Well Met	3
KPI Extremely Well Met	4
<b>Total KPIs</b>	<b>13</b>

**Financial Services**

Ref	Strategic Objectives	Strategic Goal	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-18				Dec-18				Mar-19				Jun-19				Overall Performance for Sep 2018 to Jun 2019		
											Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R

TL4 1	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Institute legal processes by 30 June 2019 against 95% of non-exchange debtors to improve credit control (Number of rates & availability charges debtors older than 90 days handed over for collection/ Total number of rates & availability chargers debtors older than 90 days)x100]	% of non-exchange debtors against whom legal action can be and was instituted by 30 June 2019	Director: Financial Services	95%	98.43 %	95%	95%	Carry Over	0%	0%	N / A	50%	0%	R	75%	0%	R	95%	0%	R	<b>[D334] Accountant: Credit Control:</b> Reported to Financial Committee that no new legal action is currently taken and that the collection is done internal until the point where legal action is needed. This report is submitted monthly to the Committee (June 2019)	95 %	0%	R		
TL4 2	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Achieve a payment percentage of 96% as at 30 June 2019 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100)	Payment % as at 30 June 2019 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off) /Billed Revenue) x 100)	Director: Financial Services	96%	91.74 &	96%	96%	Last Value	60%	73.6 7%	G 2	96%	95.1 0%	O	<b>[D335] Director: Financial Services:</b> Busy with special debtor collection plan (December 2018)	96%	93.0 9%	O	<b>[D335] Director: Financial Services:</b> BUSY WITH THE SPECIAL DEBTOR RECOVERY PLAN (April 2019) <b>[D335] Director: Financial Services:</b> BUSY WITH THE SPECIAL DEBTOR RECOVERY PLAN (May 2019) <b>[D335] Director: Financial Services:</b> BUSY WITH THE SPECIAL DEBTOR RECOVERY PLAN (June 2019)	96%	94.1 9%	O	<b>[D335] Director: Financial Services:</b> BUSY WITH THE SPECIAL DEBTOR RECOVERY PLAN (April 2019) <b>[D335] Director: Financial Services:</b> BUSY WITH THE SPECIAL DEBTOR RECOVERY PLAN (May 2019) <b>[D335] Director: Financial Services:</b> BUSY WITH THE SPECIAL DEBTOR RECOVERY PLAN (June 2019)	96 %	94.1 9%	O

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TL4 3	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Complete the monthly bank reconciliations within 30 days after month end	Number of bank reconciliations completed monthly within 30 days after month end	Director: Financial Services	12	12	12	12	Accumulative	3	3	G		3	3	G		3	3	G		12	12	G
TL4 4	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Submit monthly Section 71 Report to National Treasury i.t.o. MFMA before 10th working day of each month	Number of reports submitted	Director: Financial Services	12	12	12	12	Accumulative	3	3	G		3	3	G		3	3	G		12	12	G
TL4 5	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Submit monthly VAT 201 returns to SARS by 25th of each month	Number of VAT 201 returns submitted to SARS	Director: Financial Services	12	12	12	12	Accumulative	3	3	G		3	3	G		3	2	R	[D314] Director: Financial Services: It will be managed in the new financial years to ensure timeous submission by 25th of each month (June 2019)	12	11	O
TL4 6	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	100% of the FMG conditional grant spent by 30 June 2019 [(Total amount spent/ Total allocation received) x100]	% of FMG conditional grant spent by 30 June 2019	Director: Financial Services	100%	100%	100%	100%	Last Value	25%	26.38%	G2		55%	63.19%	G2		80%	90.30%	G2		100%	100%	G
TL4 7	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Monitor the implementation of the VESTA system to ensure MScoa compliance and submit report/data strings to National Treasury	Number of reports/data strings submitted to National Treasury	Director: Financial Services	11	11	11	11	Accumulative	2	3	B		3	3	G		3	3	G		11	12	G2
TL4 8	To provide a transparent and corruption free municipality	Strengthen Financial Sustainability and further enhance Good Governance	Develop a culture of zero tolerance to corruption and dishonesty by the efficient completion of disciplinary steps in terms of the Anti-Fraud and Corruption Policy	% of transgressions initiated in terms of the Anti-Fraud and Corruption Policy	Director: Financial Services	100%	100%	100%	100%	Last Value	100%	100%	G		100%	100%	G		100%	100%	G		100%	100%	G
TL4 9	To create an efficient, effective, economic and accountable administration	Strengthen Financial Sustainability and further enhance Good Governance	Commencement of recruitment and selection process of all vacant funded positions to ensure sustainable service delivery within 30 days of vacancy occurring (Strategic positions will be all positions agreed upon between Municipal Manager and Director and exclude the 3 highest levels of management)	Proof of Selection and Recruitment Requisition submitted to HR within 30 days of vacancy occurring	Director: Financial Services	New KPI	New KPI	100%	100%	Stand-Alone	100%	100%	G		100%	100%	G		100%	100%	G		100%	100%	G

Summary of Results: Financial Services

KPI Not Yet Measured	0
KPI Not Met	1
KPI Almost Met	2
KPI Met	5
KPI Well Met	1
KPI Extremely Well Met	0
<b>Total KPIs</b>	<b>9</b>

Council

Ref	Strategic Objectives	Strategic Goal	KPI	Unit of Measurement	KPI Owner	Baseline	Previous Year Performance	Annual Target	Revised Target	KPI Calculation Type	Sep-18				Dec-18				Mar-19				Jun-19				Overall Performance for Sep 2018 to Jun 2019		
											Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R	Departmental Corrective Measures	Target	Actual	R
TL5 0	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Number of formal households that receive piped water (credit & pre-paid water) that is connected to the municipal water infrastructure network as at 30 June 2019	Number of households which are billed for water or have prepaid meters as at 30 June 2019	Director: Financial Services	9085	9039	9,238	9,238	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		9,238	9,168	O	[D292] Director: Financial Services: Low economic growth (June 2019)	9,238	9,168	O
TL5 1	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Number of formal households connected to the municipal electrical infrastructure network (credit & prepaid electrical metering) (Excl Eskom areas) at 30 June 2019	Number of households billed for electricity or have prepaid meters (Excl Eskom areas) at 30 June 2019 ( Conlog + Active meters)	Director: Financial Services	9484	9965	9,484	9,484	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		9,484	10,214	G2		9,484	10,214	G2
TL5 2	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Number of formal households connected to the municipal waste water sanitation/ sewerage network for sewerage service, irrespective of number of water closets (toilets) at 30 June 2019	Number of households which are billed for sewerage at 30 June 2019	Director: Financial Services	7318	7404	7,346	7,346	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		7,346	7,458	G2		7,346	7,458	G2
TL5 3	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Number of formal households for which refuse is removed once per week at 30 June 2019	Number of households which are billed for refuse removal at 30 June 2019	Director: Financial Services	9568	9523	9,505	9,505	Last Value	0	0	N/A		0	0	N/A		0	0	N/A		9,505	9,615	G2		9,505	9,615	G2

TL5 4	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Provide free basic water to indigent households	Number of households receiving free basic water	Director: Financial Services	1880	1746	1,800	1,800	Last Value	0	0	N/A	0	0	N/A	0	0	N/A	1,800	1,988	G 2	[D296] Director: Financial Services: Lower economic growth resulted in higher than expected applications (June 2019)	1,800	1,988	G 2
TL5 5	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Provide free basic electricity to indigent households	Number of households receiving free basic electricity	Director: Financial Services	1700	681	1,800	1,800	Last Value	0	0	N/A	0	0	N/A	0	0	N/A	1,800	521	R	[D297] Director: Financial Services: KPI must be measured in the negative. (June 2019)	1,800	521	R
TL5 6	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Provide free basic sanitation to indigent households	Number of households receiving free basic sanitation	Director: Financial Services	1701	1534	1,600	1,600	Last Value	0	0	N/A	0	0	N/A	0	0	N/A	1,600	1,758	G 2	[D298] Director: Financial Services: Lower economic growth resulted in higher than expected applications (June 2019)	1,600	1,758	G 2
TL5 7	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Provide free basic refuse removal to indigent households	Number of households receiving free basic refuse removal	Director: Financial Services	1880	1753	1,800	1,800	Last Value	0	0	N/A	0	0	N/A	0	0	N/A	1,800	1,992	G 2	[D299] Director: Financial Services: Lower economic growth resulted in higher than expected applications (June 2019)	1,800	1,992	G 2
TL5 8	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	The percentage of a municipality's personnel and training budget actually spent on implementing its workplace skills plan as at 30 June 2019 [(Total expenditure on training/total personnel budget)/100]	% of personnel and training budget spent on training [(Total expenditure on training/total personnel budget) /100] as at 30 June 2019	Director Corporate Services	1%	1%	1%	1%	Last Value	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A	1%	0.59%	R	[D300] Director Corporate Services: Council must make appropriate provision within the next financial year (June 2019)	1%	0.59%	R
TL5 9	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Financial viability measured into municipality's ability to meet its service debt obligations as at 30 June 2019 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue ÷½ Operating Conditional Grant)	Debt to Revenue as at 30 June 2019 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	Director: Financial Services	3	2	2.54	2.54	Last Value	0	0	N/A	0	0	N/A	0	0	N/A	2.54	0.19	R	[D301] Director: Financial Services: Should be measured as a reverse stand alone (June 2019)	2.54	0.19	R



TL6 2	To create innovative partnerships with sector departments for improved education outcomes and opportunities for youth development	Promote a safe, healthy, educated and integrated community	95% spent of library grant by 30 June 2019 i.t.o approved business plan [(Actual amount spent/Total allocation received)x100]	% of library grant spent by 30 June 2019	Director Community Services	95%	100%	95%	95%	Last Value	10%	21%	B		25%	45%	B		50%	64.60%	G 2	<b>[D423] Head: Library Services:</b> The KPI was audited by Internal Audit and the original actual of 60% was incorrect. The KPI is being corrected to 64.60% (March 2019)	95%	92.28%	O	<b>[D423] Head: Library Services:</b> Provincial gave R 600 000.00 to upgrade Noordhoek Library. The project was advertised and the tender amounts came in more than R 2 000 000.00. We are currently busy to downscale the project to fit the approved budget. (June 2019)	95%	92.28%	O
TL6 3	To promote a safe environment for all who live in Bergrivier	Promote a safe, healthy, educated and integrated community	Collect 95% of budgeted income by 30 June 2019 for speeding fines (Excl budgeted debt provision) [(Actual amount collected/total amount budgeted) x 100]	% of budgeted income for speeding fines collected by 30 June 2019	Director Community Services	95%	276%	95%	95%	Last Value	10%	20%	B	<b>[D385] Head: Traffic Services:</b> To due income not reflected in the Monthly Budget Statement (Table SC7) of Section 71 Budget Statement Balance the amounts reflected for traffic fines income in the Municipality's ABSA and NEDBANK account has been used. (Sept 2018)	25%	34%	G 2		50%	104%	B	<b>[D385] Head: Traffic Services:</b> The KPI was audited by Internal Audit and the actual must be 104% and not 114% as originally reported (March 2019)	95%	159.70%	B	<b>[D385] Head: Traffic Services:</b> Not all the fines was carried over on 30 April 2019. Still R 265 633.18 in the accounts on 30 April 2019 (April 2019)	95%	159.70%	B
TL6 4	To budget strategically, grow and diversify our revenue and ensure value for money-services	Strengthen Financial Sustainability and further enhance Good Governance	Collect 95% of budgeted income by 30 June 2019 for resorts (Excl budgeted debt provision)[(Actual amount collected /total amount budgeted)x100]	% of budgeted income for resorts collected by 30 June 2019	Director Community Services	95%	96%	95%	95%	Last Value	10%	21%	B		25%	46%	B	<b>[D428] Manager: Community Facilities:</b> We will attract more visitors to the resort doing the following: We will market the resorts more aggressively . Will focus on social Media marketing to attract	50%	77%	B		95%	94.70%	O	<b>[D428] Manager: Community Facilities:</b> The target was almost met and if rounded off to 95%, it would have been met (June 2019)	95%	94.70%	O



																									(Dec 2018)				
TL68	To develop, manage and regulate the built environment	Sustainable and inclusive living environment	Facilitate 80% of title deeds transferred to eligible beneficiaries by 30 June 2019	% of title deeds transferred to eligible beneficiaries by 30 June 2019	Director Community Services	New KPI	New KPI	95%	80%	Last Value	0%	4%	B		0%	0%	N/A		0%	0%	N/A		80%	86.96%	G2		80%	86.96%	G2
TL69	To facilitate an environment for the creation of jobs	Facilitate an enabling environment for economic growth	Monitor the performance of Bergrivier Tourism Organisation in accordance with the SLA by 30 June 2019	Number of reports submitted from BTO to Portfolio Committee by 30 June 2019	Director Community Services	New KPI	New KPI	4	4	Accumulative	1	1	G		1	1	G		1	1	G		1	1	G		4	4	G
TL70	to promote healthy life styles through the provision of sport and other facilities and opportunities	Promote a safe, healthy, educated and integrated community	Facilitate the upgrading of at least 2 play parks in the municipal area by 30 June 2019	Number of play parks upgraded in municipal area by 30 June 2019	Director Community Services	New KPI	New KPI	2	2	Accumulative	0	0	N/A		1	0	R	[D440] Manager: Community Facilities: The design is now completed which make it easier to complete future projects in time. (Dec 2018)	0	0	N/A		1	2	B		2	2	G
TL71	To promote a safe environment for all who live in Bergrivier	Promote a safe, healthy, educated and integrated community	Develop a Disaster Management Contingency Plan and submit to Portfolio Committee by 30 June 2019	Number of Disaster Management Contingency Plans developed and submitted to Portfolio Committee by 30 June 2019	Director Community Services	New KPI	New KPI	1	1	Carry Over	0	0	N/A		0	0	N/A		0	1	B		1	0	R		1	1	G
TL72	To maintain existing bulk infrastructure and services	Sustainable Service Delivery	Develop an Emergency Evacuation Plan for Velddrif Offices and submit to Portfolio Committee by 30 June 2019	Number of Emergency Evacuation Plans for Velddrif Offices developed and submitted to Portfolio Committee by 30 June 2019	Director Community Services	New KPI	New KPI	1	1	Carry Over	0	0	N/A		0	0	N/A		0	0	N/A		1	1	G		1	1	G

TL7 3	To maintain existing bulk infrastructure and services	Sustainable Service Delivery	Develop a Community Facility Maintenance Plan and submit to Portfolio Committee by 30 June 2019	Number of Community Maintenance Plan developed and submitted to Portfolio Committee by March 2019	Director Community Services	New KPI	New KPI	1	1	Carry Over	0	0	N/A	0	0	N/A	1	1	G	0	0	N/A	1	1	G
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**Summary of Results: Community Services**

KPI Not Yet Measured	0
KPI Not Met	0
KPI Almost Met	2
KPI Met	8
KPI Well Met	1
KPI Extremely Well Met	1
<b>Total KPIs</b>	<b>12</b>

**Summary of Results**

KPI Not Yet Measured	0
KPI Not Met	6
KPI Almost Met	10
KPI Met	35
KPI Well Met	12
KPI Extremely Well Met	9
<b>Total KPIs</b>	<b>72</b>

Report generated on 30 August 2019 at 15:31.

### 3.10.5 PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

Section 46(1)(a) of the Municipal Systems Act, 2000 (Act 32 of 2000), provides that *“A Municipality must prepare for each financial year a performance report reflecting*

*(a) the performance of the municipality and of each external service provider during that financial year”*.

For purposes of this report, we have regarded external service providers as being all service providers with a contract of 12 months or longer and all organisations receiving a grant in aid to perform a service on behalf of the Municipality.

**The performance of external service providers was measured and rated as follows:**

- |   |   |            |
|---|---|------------|
| 1 | : | Very Poor  |
| 2 | : | Poor       |
| 3 | : | Acceptable |
| 4 | : | Very Good  |
| 5 | : | Excellent  |

TABLE 159: EVALUATION OF SERVICE PROVIDERS

*OFFICE OF THE MUNICIPAL MANAGER*

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2018/19						
						Average	Q1	Q2	Q3	Q4		
Office of Municipal Manager	Ignite	July 2017- June 2020	R 182 000.00	Performance Management System	100% compliance with service level agreement	4	4	4	4	4	Service of a very high standard is delivered	N/A

*CORPORATE SERVICES*

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2018/19						
						Average	Q1	Q2	Q3	Q4		
Administration	TGIS	1 March 2016-28 February 2019		Electronic Records and Document Management system	100% compliance with service level agreement	4	4	4	4	4	Very good service rendered.	None required
Human Resource	Payday	July 2017- July 2020		Payroll System	100% compliance with	3	3	3	3	3	Good service rendered	None required

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DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2018/19						
						Average	Q1	Q2	Q3	Q4		
Human Resource	OrgPlus	Jan 2018-Jan 2020		Organogram system – updates & maintenance	100% compliance with service level agreement	3	3	3	3	3	Good service rendered	None required

FINANCIAL SERVICES

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	CONTRACT VALUE PER ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2018/19						
						AVERAGE	Q1	Q2	Q3	Q4		
Finance	Phoenix Vesta	36 months	R652 174	Supply and delivery of Bituminous Products	Deliver assistance on time	4	4	4	4	4	Very Good	None required
Finance	Siyanda Consultants	36 months	R 2 456 276	Supply and delivery of Premix	Always on time	4	4	4	4	4	Very Good	None required
Finance	Conlog	Section	R 2 431 076	Vending system	Reliable vending	3	3	3	3	3	Acceptable	None required

		116(3)		of prepaid	on time						System down at times	
Finance	Metgovis		R 148 273	Valuation system	Billing	4	4	4	4	4	Very Good	None required
Finance	HCB Waardeerders	2018- 2022	R 239 871	Municipal Valuer	Billing	4	4	4	4	4	Very Good	None required

TECHNICAL SERVICES

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2018/19						
						AVERAGE	Q1	Q2	Q3	Q4		
Technical	Colas	1 Year	±R 9000 000	Supply and delivery of Bituminous Products	Deliver products on time	4	-	3	4	-	Recommended	None required
Technical	Much Asphalt	1 Year	± R 100 000	Supply and delivery of Premix	Deliver products on time	4		4	4		Recommended	None required
Technical	Ikussa Chemicals	1 Year	± R 300 000	Supply and delivery of Water treatment Chemicals(Alum)	Deliver products on time	4		4	4	4	Very good	None required
Technical	Metsi Chemicals	1 Year	± R 150 000	Supply and delivery of Water treatment chemicals(chlorine)	Delivery on time	2	4	4	4	2	Late delivery	None required

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DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2018/19						
						AVERAGE	Q1	Q2	Q3	Q4		
Technical	Memotek	1 Year	± R 100 000	Supply and delivery of Water treatment chemicals	Late delivery	2	-	-	-	2	Late delivery	None required
Technical	Tip Trans Logistics		± R 300 000	Supply and delivery of Road Materials	Deliver products on time	4	-	-	4	4	Very Good	None required
Technical	West Coast Builders	1 Year	± R1 000 000	Supply of Road Materials	Late delivery	3	-	3	3	-	Late delivery	None required
Technical	AWV Projects	1 Year	± R 900 000	Supply and delivery of Refuse bags	Deliver products on time	4	4	4	4	4	Very Good	None required
Technical	Integral Laboratories	1 Year	± R 700 000	Monitor and test WTW and WWTW to comply with SANS 241:2006	Deliver correct products on time	4	4	4	4	4	Very good	None required
Technical	West Coast Builders	1 Year	± R 700 000	Supply and delivery of Concrete Products	Late delivery	3		4	4	2	Late delivery	None required
	KFC Engineering	1 Year	± R 600 000	Supply Domestic water meters and	Delivery on time	4	3	4	4	4		None

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING					PERFORMANCE COMMENT	CORRECTIVE MEASURE
						2018/19						
						AVERAGE	Q1	Q2	Q3	Q4		
Technical				boxes						Recommended	required	
	Wasteman	3 Years	± R 1 200 000	Transport of refuse	Delivery on time	4	4	4	4	Very good	None required	
Technical					Collecting recyclables on time and keep recycling area clean and neat(Piketberg)							
Technical	Piketberg Civils	3 Years	± R 350 000	Supply and delivery of Protective clothing		4	4	4	4	Very good	None required	
Technical	IMQS	Sole supplier	± R 20 000	Infra-Structure Management Program	Assist with maintaining the computer programme	4	-	-	-	-	Only when required	None required
Technical	Caddie	Sole Supplier	± R 20 000	Infra-Structure Management Programme	Assist with maintaining the computer programme	4	-	-	-	-	Only when required	None required
Technical	TRF Sport	3 months	± R 200 000	Supply and delivery of Protective clothing	Deliver products on time	3			3		Late delivery	None required
Technical	West Coast District Municipality	Multi Years	± R5 000 000	WSP – Velddrif Water	Supply of potable water to Velddrif	4	4	4	4	4	Recommended	None required

## COMMUNITY SERVICES

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING	PERFORMANCE COMMENT	CORRECTIVE MEASURE
Community Services	Traffic Management Technologies Services and Supplies(Pty)Ltd	October 2018-30June 2021	R149 301 for the financial year	Provision of traffic law enforcement, back office systems and related services	4	4 4 4 4	Very good service rendered	None required
Community Services	Multi Choice	5 December 2013 - Indefinite	R 81 043.42 for the financial year	DSTV subscription for Stywelyne & Dwarskersbos Beach Resorts	4	4 4 4 4	Very good service rendered	None required
Community Services	Siyanda Business Solutions (Pty) Ltd	01 July 2018- 30 June 2019	R 76 251.30	Revision of reconciliations of the Directorate	4	4 4 4 4	Very good service rendered	None required
Community Services	Belstow Traffic Solutions(Pty)Ltd	01 July 2018-30 June 2019	R 67 736.33 for the financial year	Collection of outstanding traffic fines	2	2 2 2 2	No extra effort to collect outstanding fines	Contract ended 30 June 2019. New service provider started 01 October 2018

DRAFT ANNUAL REPORT 2018/19

DEPARTMENT	SERVICE PROVIDER	TERM OF CONTRACT	ESTIMATED CONTRACT VALUE/ ANNUM	DESCRIPTION OF SERVICE / KEY PERFORMANCE AREAS	TARGETS	PERFORMANCE RATING	PERFORMANCE COMMENT	CORRECTIVE MEASURE
Community Services	Synapsis Software	01 July 2018-30 June 2019	R 34 913.72 for the financial year	SmartMun cemetery management licence	4	4 4 4 4	Very good service rendered	None required
Community Services	MSS Security (Malmesbury)	01 July 2018-30 June 2019	R 31 243.63 for the financial year	Alarm syste, at libraries (Stywelyne, Dwarskersbos, Velddrif Biblioteek, Noordhoek Biblioteek)	4	4 4 4 4	Monitoring done on a daily basis	None required.



## **CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE**

Famous canola fields of Bergivier Municipal Area

Photographer unknown

#### 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Section 67 of the Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration in accordance with the Employment Equity Act, 1998 (Act 55 of 1998).

##### 4.1.1 STAFF ESTABLISHMENT

A new macro and micro structure was adopted by Council on 30 May 2017 and implemented from 1 July 2017. The total number of approved positions on the organogram consists of 566 positions. Out of the 566, only 402 positions were funded for the financial year 2018/19. The figure below depicts the approved macro structure.

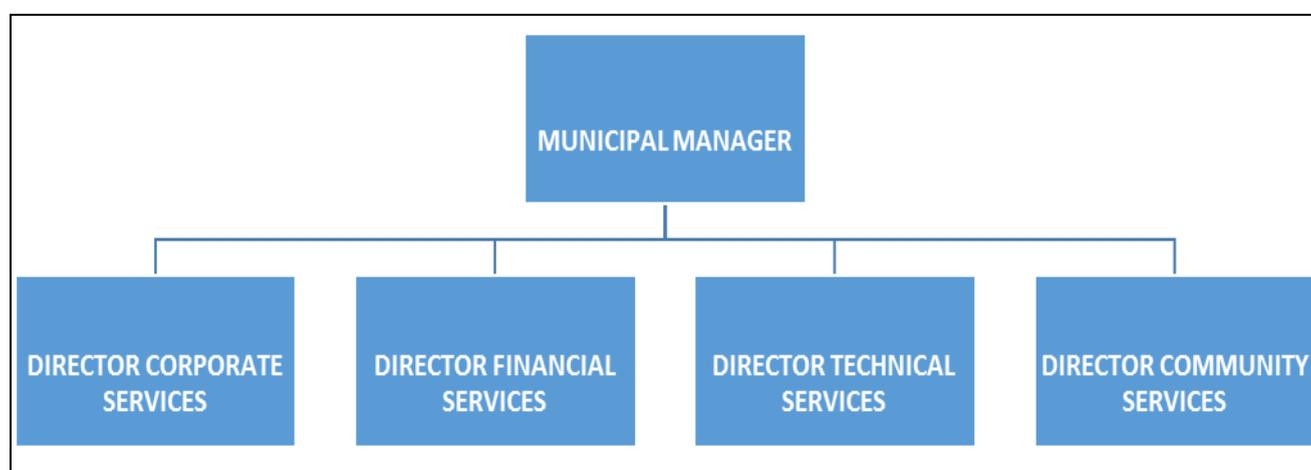


FIGURE 24: APPROVED MACRO STRUCTURE

##### 4.1.1.1 MANAGEMENT

The Municipal Manager is appointed on a fixed term contract in terms of Section 57 of the Municipal Systems Act and the Directors reporting to the Municipal Manager are appointed on permanent contracts. Employment contracts and performance agreements are in place for the Municipal Manager and all Directors reporting to the Municipal Manager.

The Municipal Manager's employment contract commenced on 1 December 2012, was extended on 03 October 2016 and renewed for another five years from August 2017 to August 2022. A new Chief Financial Officer was appointed by Council on 23 October 2018 and the commencement date of employment was 01 January 2019. The recruitment and selection process for the Director Technical Services who resigned and left the service of the municipality on 30 June 2019, already started on 29 May 2019 and will be concluded by 30 August 2019, subject to the appointment of a suitable candidate. The following table indicates the filled/vacant positions of the Municipal Manager and Directors reporting to the Municipal Manager.

TABLE 160: SENIOR MANAGEMENT TEAM

POSITIONS	FILLED AS AT 30 JUNE 2019	EMPLOYMENT CONTRACTS IN PLACE	PERFORMANCE AGREEMENTS IN PLACE
Municipal Manager	YES	YES	YES
Chief Financial Officer	YES	YES	YES
Director Community Services	YES	YES	YES
Director Corporate Services	YES	YES	YES
Director Technical Services	YES (Resigned, vacancy from 1 July 2019)	YES	YES

#### 4.1.1.2 WORKFORCE, VACANCIES AND TURNOVER

The municipality employed 385 employees at the end of June 2019 and the total vacancy rate as on 30 June 2019, based on funded positions, was 4.23 % comprising seventeen (17) funded positions. The vacancy rate for funded positions is 4.23 % which is lower than the 13.70 % during the previous financial year, 2017/2018. The vacancy rate is carefully managed and strategically done as a saving mechanism and to fund temporary positions needed for operational requirements. With the approval of the adjustment budget in February 2019 Council decided to only budget for critical positions and reduced the number of permanent funded vacant positions from 65 to 23. The number of approved positions and the vacancy rate in the Municipality are reflected below.

TABLE 161: MONTHLY WORKFORCE AND VACANCY RATE

DESCRIP- TION	JUL '18	AUG '18	SEPT '18	OCT '18	NOV '18	DEC '18	JAN '19	FEB '19	MAR '19	APR '19	MAY '19	JUN '19
Total no. of approved permanent positions (Funded)	441	441	441	441	441	441	441	441	402	402	402	402
No. of permanent positions filled	380	376	374	374	374	375	376	376	379	381	380	385
No. of funded positions	61	65	67	67	67	66	65	65	23	21	22	17

vacant												
<b>Vacancy rate</b>	13.84 %	14.74 %	15.19 %	15.19 %	15.19 %	14.97 %	14.74 %	14.74 %	5.73%	5.23%	5.48%	4.23%

## 4.1.1.3 TURNOVER RATE

TABLE 162: TURNOVER RATE

FINANCIAL YEAR	TOTAL APPOINTMENTS AS AT 30 JUNE	TERMINATIONS DURING THE FINANCIAL YEAR	TURNOVER RATE
2016/2017	388	15	3.86 %
2017/2018	378	29	7.67 %
2018/2019	385	18	4.67%

The total staff turnover rate for the financial year 2018/2019 is 4.67 %, compared to the turnover rate of the financial year 2017/2018 of 7.67 %. The staff turnover rate is 3 % lower than the previous financial year. The following table indicates the number of approved (funded) positions, number of employees, number of vacancies and vacancy rate per Directorate and function:

TABLE 163: STAFF COMPLEMENT

DEPARTMENT	APPROVED POSITIONS (FUNDED) JULY 2018	EMPLOYEES JULY 2018	VACANCIES (FUNDED) JULY 2018	% VACANCIES JULY 2018	DEPARTMENT	APPROVED POSITIONS (FUNDED) JUNE 2019	EMPLOYEES JUNE 2019	VACANCIES (FUNDED) JUNE 2019	% VACANCIES JUNE 2019
<b>OFFICE OF THE MUNICIPAL MANAGER</b>					<b>OFFICE OF THE MUNICIPAL MANAGER</b>				
Office of the Municipal Manager	3	3	0	0.00%	Office of the Municipal Manager	3	3	0	0.00%
Office of the Executive Mayor	2	2	0	0.00%	Office of the Executive Mayor	2	2	0	0.00%
Strategic Services	4	4	0	0.00%	Strategic Services	4	4	0	0.00%
Internal Audit	2	2	0	0.00%	Internal Audit	2	2	0	0.00%
<b>FINANCIAL SERVICES</b>					<b>FINANCIAL SERVICES</b>				
Office of Director Financial Services	2	2	0	0.00%	Office of Director Financial Services	2	2	0	0.00%
Expenditure & SCM Services	14	13	1	7.14%	Expenditure & SCM Services	12	11	1	8.33%
Revenue Management	33	31	2	6.06%	Revenue Management	32	31	1	3.12%
Financial Management & Reporting	2	2	0	0.00%	Financial Management & Reporting	2	2	0	0.00%
<b>CORPORATE SERVICES</b>					<b>CORPORATE SERVICES</b>				
Planning and Development	5	4	1	20.00%	Planning and Development	5	5	0	0.00%
Human Resources	5	3	2	40.00%	Human Resources	6	6	0	0.00%

DEPARTMENT	APPROVED POSITIONS (FUNDED) JULY 2018	EMPLOYEES JULY 2018	VACANCIES (FUNDED) JULY 2018	% VACANCIES JULY 2018	DEPARTMENT	APPROVED POSITIONS (FUNDED) JUNE 2019	EMPLOYEES JUNE 2019	VACANCIES (FUNDED) JUNE 2019	% VACANCIES JUNE 2019
Administration & IT Services	24	22	2	8.33%	Administration & IT Services	23	22	1	4.35%
<b>COMMUNITY SERVICES</b>					<b>COMMUNITY SERVICES</b>				
Libraries	33	27	6	18.18%	Libraries	31	27	4	12.90%
Traffic and Law Enforcement (Including Disaster Management & Fire Services)	21	20	1	4.76%	Traffic and Law Enforcement	22	22	0	0.00%
Recreation Resorts	14	14	0	0.00%	Recreation Resorts	23	23	0	0.00%
Community Services	7	2	5	71.43%	Community Services	7	6	1	14.29%
Motor Licences and Testing	6	4	2	33.33%	Motor Licences and Testing	4	4	0	0.00%
Parks and Open Spaces	31	29	2	6.45%	Parks and Open Spaces	25	25	0	0.00%
Cemeteries	4	3	1	25.00%	Cemeteries	3	3	0	0.00%
Sport Grounds & Swimming Pools	10	10	0	0.00%	Sport Grounds & Swimming Pools	6	6	0	0.00%
Housing	3	1	2	66.67%	Housing	3	3	0	0.00%
<b>TECHNICAL SERVICES</b>					<b>TECHNICAL SERVICES</b>				
Building Control (Including Project Management)	4	3	1	25.00%	Building Control	4	4	0	0.00%

DEPARTMENT	APPROVED POSITIONS (FUNDED) JULY 2018	EMPLOYEES JULY 2018	VACANCIES (FUNDED) JULY 2018	% VACANCIES JULY 2018	DEPARTMENT	APPROVED POSITIONS (FUNDED) JUNE 2019	EMPLOYEES JUNE 2019	VACANCIES (FUNDED) JUNE 2019	% VACANCIES JUNE 2019
Municipal Buildings	19	14	5	26.32%	Municipal Buildings	10	10	0	0.00%
Waste Management	44	37	7	15.91%	Waste Management	41	40	1	2.44%
Sanitation	16	14	2	12.50%	Sanitation	9	9	0	0.00%
Roads & Storm Water Management	85	67	18	21.18%	Roads & Storm Water Management	71	64	7	9.86%
Water	23	23	0	0.00%	Water	28	27	1	3.57%
Electricity	22	22	0	0.00%	Electricity	22	22	0	0.00%
<b>TOTAL</b>	<b>438</b>	<b>378</b>	<b>60</b>	<b>13.70%</b>		<b>402</b>	<b>385</b>	<b>17</b>	<b>4.23%</b>

#### 4.1.2 EMPLOYMENT EQUITY

The Employment Equity Act (EEA) requires that the municipality must prepare an Employment Equity Plan. The plan must comply with the requirements set out in Section 20 (1) of the Act. The EEA makes it compulsory for designated employers to implement affirmative action (AA). This means that most employers are required to employ, train and retain the services of employees belonging to designated previously disadvantaged population groups, these being “black” (African, Coloured and Indian), female and disabled people.

The new employment equity plan for the next five (5) years was approved on 12 September 2019. The table below sets out the demographics of the Western Cape, West Coast and Bergrivier Municipality compared to the National demographics and is based on information of the “economically active population” (Refers to people between the ages of 15 and 65) as provided by Statistics South Africa.

TABLE 164: DEMOGRAPHIC PROFILE FOR PURPOSES OF EMPLOYMENT EQUITY

	SOUTH AFRICA	WESTERN CAPE	WEST COAST	BERGRIVIER MUNICIPALITY
<b>AFRICAN</b>	78.80%	30.23%	15.37%	10.96%
<b>COLOURED</b>	9.60%	47.33%	65.92%	72.83%
<b>INDIAN</b>	2.60%	1.24%	0.50%	0.39%
<b>WHITE</b>	9.00%	21.20%	18.21%	15.82%

#### 4.2 MANAGING THE MUNICIPAL WORKFORCE

##### 4.2.1 HUMAN RESOURCE POLICIES AND PLANS

The Human Resource Department has a number of policies and plans in place that are regulated by South African Bargaining Council Collective Agreements and South African Legislation. Policies are not static documents and therefore have to be revised regularly. During the 2018/2019 period a process involving all stakeholders, namely employees, councillors and unions, was followed where two new policies were adopted by Council.

TABLE 165: APPROVED AND DRAFT HUMAN RESOURCE POLICIES

APPROVED POLICIES 2018/2019	DRAFT POLICIES 2018/2019
<ul style="list-style-type: none"> <li>Membership of Medical Funds and Registration of Dependants on Accredited Medical Funds Policy</li> <li>Transport Allowance Policy</li> </ul>	<ul style="list-style-type: none"> <li>Employment Equity Policy</li> <li>Acting and Additional Services Rendered Policy</li> </ul>

## 4.2.2 TERMINATIONS AND OCCUPATIONAL HEALTH AND SAFETY

### 4.2.2.1 TERMINATIONS

There were 18 terminations during the financial year which consisted of the following: Eleven resignations, four retirements and three deceased. The table below depicts the terminations as recorded:333

TABLE 166: TERMINATIONS OF PERMANENT EMPLOYEES

REASON	July '18	Aug '18	Sept '18	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	TOTAL
Resignations	3	3	0	0	1	1	0	1	1	0	0	1	11
Retirement	0	1	0	0	1	0	1	0	0	1	0	0	4
Ill Health/ Incapacity	-	-	-	-	-	-	-	-	-	-	-	-	-
Deceased	2	0	0	1	0	0	0	0	0	0	0	0	3
Absenteeism	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>18</b>

#### 4.2.2.2 OCCUPATIONAL HEALTH AND SAFETY



*The Health and Safety of municipal staff is of paramount importance and therefore wellness days took place.*

##### 4.2.2.2.1 THE FUNCTIONING OF THE HEALTH AND SAFETY COMMITTEE

As at 30 June 2019, 99 % of the Health and Safety Representatives were appointed for each workplace. We have well-functioning Health and Safety Committees in each town with central quarterly meetings.

##### 4.2.2.2.2 REPORTABLE INCIDENTS

Sixteen (16) incidents occurred, which is a slight increase from the number of incidents (15) of the previous financial year. As indicated in the graph below, the Municipality was able to achieve the target and reduce the number of reportable incidents of 28 for the financial year 2013/14 to 16 reportable incidents for the financial year 2018/19. We had our first casualty in the workplace in Velddrif after Health and Safety was implemented in 2012. There were also two Wellness Days held in Porterville and Piketberg. During Health & Safety Committee meetings the Supervisors were requested to report every incident, irrespective of seriousness, and

this could have led to an increase in the number of injuries on duty reported. The graph below shows the injuries on duty reported:

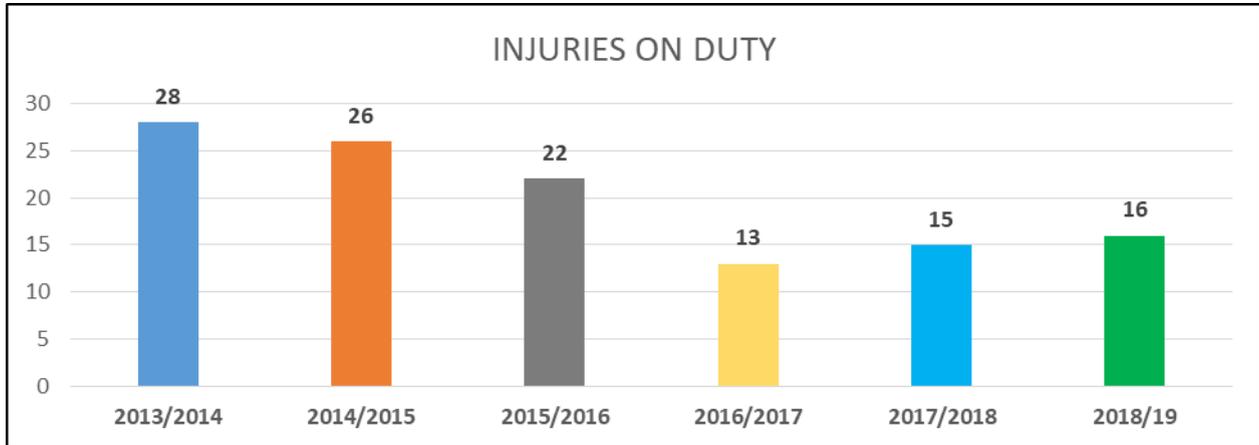


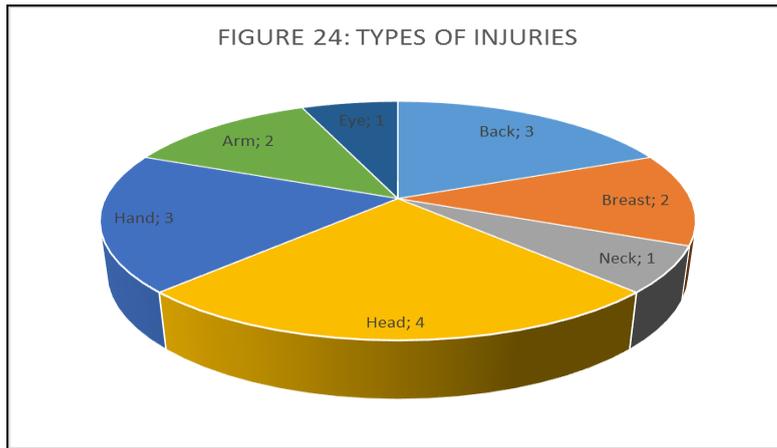
FIGURE 25: INJURIES ON DUTY

#### 4.2.2.2.3 REPORTABLE INJURIES PER TOWN

Of the sixteen (16) injuries reported eight (8) occurred in Piketberg, five (5) in Velddrif and three (3) in Porterville.

#### 4.2.2.2.4 TYPES OF REPORTABLE INJURIES

The type of injuries that occurred are shown in the graph below.



**FIGURE 26: TYPE OF INJURIES**



*Wellness Days to provide staff with basic health services.*

**4.2.3 ABSENTEEISM**

The combined absenteeism rate for sick leave for the Municipal Workforce for the financial year 2018/2019 is shown in the table below:

**TABLE 167: ABSENTEEISM**

MONTH	NO. OF LOST WORKDAYS DUE TO SICK LEAVE	AVERAGE NO. OF EMPLOYEES	AVERAGE NO. OF WORKDAYS	AVERAGE NO. OF EMPLOYEES X AVERAGE NO OF WORKDAYS	ABSENTEEISM RATE
July	259	380	20.75	7885	3.28%
August	268	376	20.75	7802	3.44%
September	188	374	20.75	7760.5	2.42%
October	186	374	20.75	7760.5	2.40%
November	223	374	20.75	7760.5	2.87%
December	89	375	20.75	7760.5	1.14%
January	182	376	20.75	7802	2.33%
February	154	376	20.75	7802	1.97%
March	180.78	379	20.75	7864.25	2.29%
April	235	381	20.75	7905.75	2.97%
May	253	380	20.75	7885	3.21%
June	196	385	20.75	7988.75	2.45%
<b>TOTALS</b>	<b>2413.78</b>	<b>378</b>	<b>249</b>	<b>93 977.75</b>	<b>2.57 %</b>

The absenteeism rate decreased from 2.86 % in the previous financial to 2.57 % for the period under review. The municipality needs to monitor the absenteeism of employees to ensure that it does not increase.

#### 4.2.4 PERFORMANCE MANAGEMENT

Performance is evaluated in terms of relevant legislation and Bergrivier Municipality Performance Management Policy.

#### 4.2.5 DISCLOSURE OF FINANCIAL INTERESTS

The Performance Management Regulations (Regulation 805 of 2006) require that Municipal officials and Councillors disclose their financial interests. The interests of Councillors, the Municipal Manager and Directors are set out in **APPENDIX 10**.

### 4.3 CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.3.1 SKILLS DEVELOPMENT AND TRAINING

Section 68(1) of the Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way. The Municipality has a Training Committee in place, which deals with matters concerning the training of Municipal Staff.

In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports are submitted. The spending on training and development is shown in the graph below.

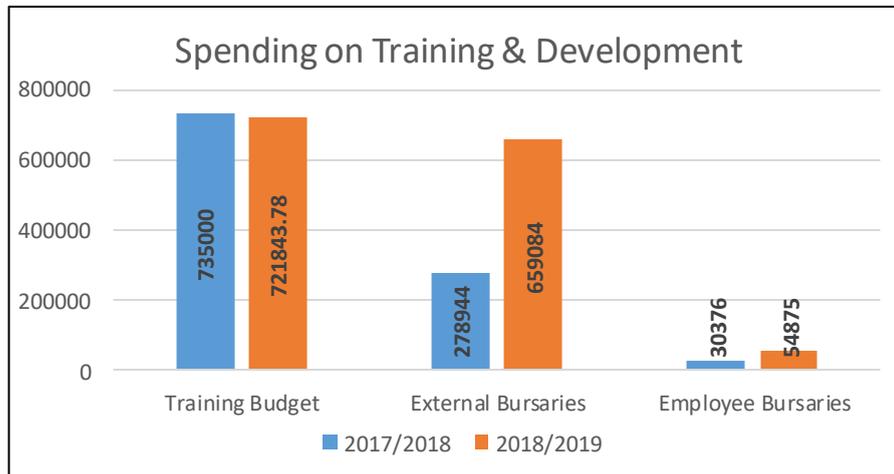


FIGURE 27: SPENDING ON TRAINING BUDGET

During the financial year 2018/2019 R 912 618.78 was spent on training and development of employees. The municipality spent R 713 959 on bursaries for employees and non-employees.

*Officials attending National Diploma: Management of Civil Engineering NQF 5 learnership*

The following training interventions took place during the financial year 2018/2019:

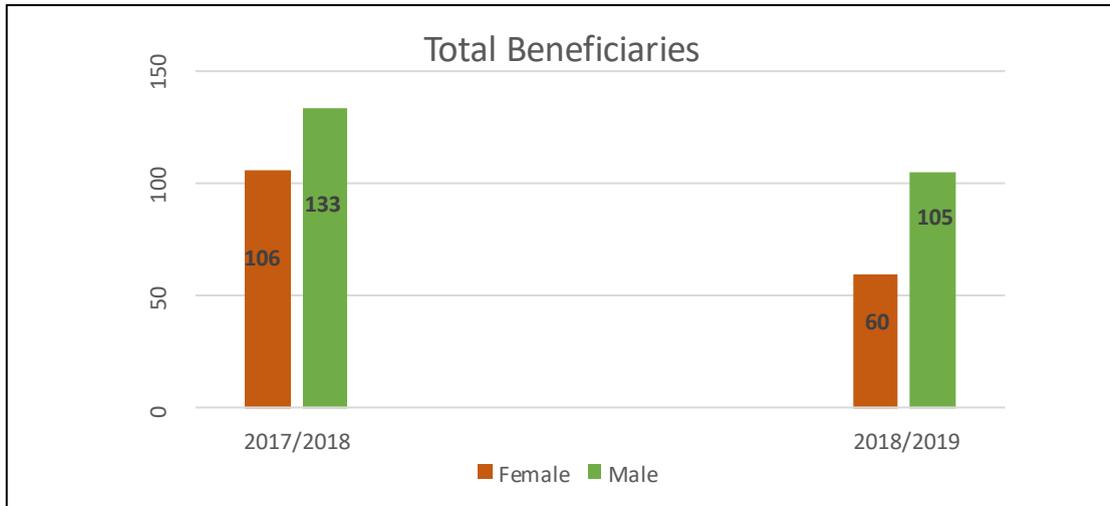
TABLE 168: TRAINING INTERVENTIONS

TYPE OF LEARNING INTERVENTION	NAME OF LEARNING INTERVENTION	NQF LEVEL	NUMBER TRAINED	
			FEMALE	MALE
Skills Programme	Project Management	5	5	5



TYPE OF LEARNING INTERVENTION	NAME OF LEARNING INTERVENTION	NQF LEVEL	NUMBER TRAINED	
			FEMALE	MALE
Skills Programme	Client Services	3	14	3
Skills Programme	Handy Man	3	0	4
Skills Programme	Fire Fighting	3	0	5
Skills Programme	Chainsaw	3	0	5
Skills Programme	First Aid level 1 & 2	1 & 2	0	5
Skills Programme	Law Enforcement	4	2	1
Skills Programme	Time Management	3	1	0
Skills Programme	Supervisory Skills	3	2	16
Skills Programme	Report Writing	3	5	0
Skills Programme	Speed Typing	3	4	0
Skills Programme	MS Projects	4	0	4
Skills Programme	MFMP	6	1	6
Skills Programme	MS Word, Excel	4	14	9
Apprenticeship	Bricklaying	5	0	3
Apprenticeship	Plumbing	5	0	3
Apprenticeship	Welding	5	0	1
Short Course	Operate Small Plant Machinery	2	0	4
Short Course	Code 10 and 14 Learners and Drivers licences	4	4	10
Short Course	Exchange 2016	5	0	1
Short Course	Record Keeping/Archives	3	2	0
Short Course	Pay Day	4	5	1
Learnership	Internal Audit Learnership	6	1	0
Learnership	Electrician Modular Training	5	0	2
Learnership	Road Construction NQF 2	2	0	5
Learnership	Road Construction NQF 4	4	0	4
Learnership	National Diploma: Management of Civil Engineering NQF 5	5	0	3
Learnership	Water and Waste water Operation Treatment Process Controller NQF 2	2	0	5

FIGURE 28: BENEFICIARIES OF TRAINING IN TERMS OF GENDER



Officials attending the Awards Ceremony on 06 December 2018

#### 4.3.2 REPORTING ON AND MONITORING MUNICIPAL MINIMUM COMPETENCY LEVELS

In terms of Section 14 (2) (b) of the Local Government: Municipal Financial Management Act and the Municipal Regulations on Minimum Competency (Nr. 29967), the municipality must record in its Annual Report the information on minimum competencies as at the end of 30 June 2019.

In terms of Section 83 (1) of the Municipal Financial Management Act, the Accounting Officer, Senior Managers, the Chief Financial Officer, Non-Financial Managers and other Financial Officials of a Municipality must meet the prescribed financial management competency levels that are key to the successful

implementation of the Municipal Finance Management Act. As prescribed by National Treasury, such financial management competencies were promulgated in Government Notice 493 dated 15 June 2007 and amended by Government Notice 1146 dated 26 October 2018.

The following is a summary of the officials who are competent as at 30 June 2019 in the minimum competency levels:

TABLE 169: MINIMUM COMPETENCY LEVELS

NO	NAME OF EMPLOYEE	OCCUPATION	IDENTITY NUMBER	DATE OF COMPLETION
1	Hanlie Linde	Municipal Manager	700411 0082 083	October 2012
2	Hendrik Kröhn	Director Technical Services	630903 5054 088	August 2012
3	Marius Wüst	Director Financial Services (From 01/01/2019)	700723 5133 087	October 2014
4	Gerard Goliath	Director Financial Services (Till 30/11/2018)	810819 5150 084	September 2015
5	Johan William Kotzee	Director Corporate Services	670316 5007 082	September 2013
6	Dean Josephus	Director: Community Services	690417 5211 082	November 2016
7	Andries Wessel Rheeder	Manager: Human Resource Services	720707 5236 087	October 2013
8	Werner Wagener	Manager: Planning & Development	740923 5005 085	October 2013
9	Martin Crous	Manager: Income	720730 5228 086	May 2011
10	John-Peter Sass	Manager: Budget & Treasury Office	691028 5228 080	August 2012
11	Jacob Breunissen	Manager: Civil Services	621231 5108 089	October 2013
12	Jurene Erasmus	Internal Auditor	880111 0167 080	October 2014
13	Lene Louw	Accountant: Budget and Treasury Office	870205 0071 086	August 2012
14	Israel Benno John Saunders	Head: Supply Chain Management	680805 5101 083	February 2014
15	Nelmarie Bothma	Manager: Supply Chain Management	620217 0091 082	July 2011
16	Alletta van Sittert	Manager: Strategic Services	601128 0087 082	November 2016

#### 4.4 WORKFORCE EXPENDITURE

Section 66 of the Local Government: Municipal Finance Management Act (MFMA) states that the Accounting Officer of a Municipality must, in a format and for periods as may be prescribed, report to Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, as per type of expenditure.

The Municipality's employee costs for 2018/19 totalled an amount of R 123 486 307.00. This constitutes 38.39 % of the total operational expenditure and is an increase from the previous year's 37.65 %. No appointments are made unless the positions are funded and vacant on the staff establishment. In order to

obtain value for money from workforce expenditure, the mandate for appointment is to appoint the candidate on the minimum notch of the scale unless motivation exists for appointment on a higher notch.



## CHAPTER 5 FINANCIAL PERFORMANCE



Velddrif/Laaipek: A Beautiful Small Active Harbour

Photographer Unknown: Photo provided

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE AND POSITION

### 5.1.1 STATEMENTS OF FINANCIAL PERFORMANCE

The following table provides a summary of the Municipality's financial performance as at 30 June 2019:

TABLE 170: SUMMARY OF FINANCIAL PERFORMANCE

	ORIGINAL BUDGET 2019	BUDGET ADJUSTMENTS 2019	FINAL BUDGET 2019	ACTUAL OUTCOME 2019	BUDGET VARIANCE 2019
	R	R	R	R	R
<b>REVENUE BY SOURCE</b>					
Property rates	67,181,877	-	67,181,877	67,799,813	617,936
Service charges - electricity revenue	112,163,727	769,372	112,933,099	102,121,453	(10,811,646)
Service charges - water revenue	21,865,717	501,078	22,366,795	24,347,734	1,980,939
Service charges - sanitation revenue	12,906,225	31,881	12,938,106	12,876,092	(62,014)
Service charges - refuse revenue	21,262,698	251,302	21,514,000	21,285,792	(228,208)
Rental of facilities and equipment	908,391	159,239	1,067,630	5,830,400	4,762,770
Interest earned - external investments	5,118,750	20,000	5,138,750	6,202,756	1,064,006
Interest earned - outstanding debtors	4,284,800	-	4,284,800	7,390,157	3,105,357
Fines, penalties and forfeits	9,691,365	(1,323,365)	8,368,000	9,934,861	1,566,861
Licences and permits	11,437	(437)	11,000	-	(11,000)
Agency services	4,210,328	-	4,210,328	4,312,596	102,268
Transfers and subsidies - Operating	61,748,130	(2,857,029)	58,891,101	56,025,405	(2,865,696)
Other revenue	7,373,121	423,157	7,796,278	8,352,560	556,282
Gain on disposal of PPE	-	-	-	505,865	505,865
<b>Total Revenue (excl capital transfers)</b>	<b>328,726,566</b>	<b>(2,024,802)</b>	<b>326,701,764</b>	<b>326,985,484</b>	<b>283,720</b>
<b>EXPENDITURE BY TYPE</b>					
Employee related costs	125,026,679	(4,576,441)	120,450,238	123,486,307	3,036,069
Remuneration of councillors	6,377,666	(59,000)	6,318,666	6,262,498	(56,168)
Debt impairment	14,142,493	2,961,507	17,104,000	16,122,564	(981,436)
Depreciation and asset impairment	21,890,610	474,390	22,365,000	20,170,984	(2,194,016)
Finance charges	14,013,694	(448,704)	13,564,990	15,288,120	1,723,130
Bulk purchases	79,480,000	3,163,200	82,643,200	83,689,111	1,045,911
Other Materials	11,414,778	(132,811)	11,281,967	-	(11,281,967)
Contracted Services	24,447,442	(2,261,156)	22,186,286	16,280,561	(5,905,725)
Transfers and grants	5,280,520	50,000	5,330,520	5,322,700	(7,820)
Other expenditure	33,771,408	327,103	34,098,511	35,031,422	932,911
<b>Total Expenditure</b>	<b>335,845,290</b>	<b>(501,912)</b>	<b>335,343,378</b>	<b>321,654,267</b>	<b>(13,689,111)</b>
<b>Surplus/(Deficit)</b>	<b>(7,118,724)</b>	<b>(1,522,890)</b>	<b>(8,641,614)</b>	<b>5,331,217</b>	<b>13,972,831</b>
Transfers and subsidies - Capital (monetary)	21,434,870	391,304	21,826,174	20,514,803	(1,311,371)

Transfers and subsidies - Capital (in-kind)	-	-	-	700,000	700,000
<b>Surplus/(Deficit) for the year</b>	<b>14,316,146</b>	<b>(1,131,586)</b>	<b>13,184,560</b>	<b>26,546,020</b>	<b>13,361,460</b>

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TABLE 171: FINANCIAL PERFORMANCE OF OPERATIONAL SERVICE

<b>Revenue by Vote</b>					
<b>Vote 1 - Municipal Manager</b>	<b>31 447</b>	<b>31 447</b>	<b>31 440</b>	(7)	0%
1.1 - Mayor and Council	2 712	2 712	2 712	-	
1.2 - Municipal Manager	28 315	28 315	28 308	(7)	0%
1.3 - Economic Development/Planning	420	420	420	-	
1.4 - Internal Audit	-	-	-	-	
<b>Vote 2 - Finance</b>	<b>79 119</b>	<b>79 169</b>	<b>86 688</b>	7 518	9%
2.1 - Finance	79 119	79 169	86 680	7 511	9%
2.2 - Budget and Treasury Office	-	-	-	-	
2.3 - Supply Chain Management	-	-	7	7	#DIV/0!
2.4 - Director: Finance Services	-	-	-	-	
<b>Vote 3 - Corporate Services</b>	<b>1 701</b>	<b>1 724</b>	<b>8 005</b>	6 280	364%
3.1 - Planning and Development	1 180	1 210	1 990	780	64%
3.2 - Human Resources	511	511	6 011	5 500	1076%
3.3 - Information Technology	-	-	-	-	
3.4 - Administrative and Corporate Support	10	3	3	0	9%
3.5 - Director: Corporate Services	-	-	-	-	
<b>Vote 4 - Technical Services</b>	<b>204 538</b>	<b>206 687</b>	<b>198 073</b>	(8 614)	-4%
4.1 - Building Control	851	851	1 025	174	20%
4.2 - Project Management Unit	19 754	19 754	19 754	-	
4.3 - Property Services	733	770	1 127	357	46%
4.4 - Director: Technical Services	-	-	-	-	
4.5 - Solid Waste Removal	25 486	26 371	26 257	(114)	0%
4.6 - Street Cleaning	-	-	-	-	
4.7 - Sewerage	15 639	15 684	15 625	(59)	0%
4.8 - Waste Water Treatment	-	-	-	-	
4.9 - Storm Water Management	-	-	-	-	
4.10 - Water Distribution	23 761	24 262	26 210	1 948	8%
4.11 - Water Treatment	-	-	-	-	
4.12 - Roads	1 654	1 666	1 593	(74)	-4%
4.13 - Electricity	116 660	117 328	106 483	(10 845)	-9%
4.14 - Street Lighting	-	-	-	-	
<b>Vote 5 - Community Services</b>	<b>33 356</b>	<b>29 501</b>	<b>23 995</b>	(5 506)	-19%
5.1 - Director: Community Services	-	-	-	-	
5.2 - Libraries and Archives	7 342	7 355	6 792	(563)	-8%
5.3 - Community Halls and Facilities	78	200	244	44	22%

5.4 - Cemeteries	345	345	323	(22)	-6%
5.5 - Housing (Core)	42	42	–	(42)	-100%
5.6 - Housing (Non-Core)	7 000	3 900	–	(3 900)	-100%
5.7 - Traffic Control	9 483	8 355	7 621	(734)	-9%
5.8 - Fire Fighting and Protection	6	5	–	(5)	-100%
5.9 - Community Parks	175	175	–	(175)	-100%
5.10 - Sports Grounds and Stadiums	–	219	200	(18)	-8%
5.11 - Swimming Pools	15	35	37	2	4%
5.12 - Holiday Resorts	4 646	4 646	4 458	(188)	-4%
5.13 - Holiday Resorts (old)	–	–	–	–	
5.14 - Holiday Resorts (PW Koorts)	14	14	8	(6)	-40%
5.15 - Road and Traffic Regulation	4 210	4 210	4 313	103	2%
<b>Total Revenue by Vote</b>	<b>350 161</b>	<b>348 528</b>	<b>348 200</b>	<b>(328)</b>	<b>0%</b>
				–	
<b>Expenditure by Vote</b>				–	
<b>Vote 1 - Municipal Manager</b>	<b>24 745</b>	<b>24 733</b>	<b>23 598</b>	<b>(1 135)</b>	<b>-5%</b>
1.1 - Mayor and Council	8 348	8 524	8 240	(284)	-3%
1.2 - Municipal Manager	10 586	10 594	10 055	(539)	-5%
1.3 - Economic Development/Planning	4 577	4 387	4 116	(270)	-6%
1.4 - Internal Audit	1 234	1 228	1 187	(41)	-3%
<b>Vote 2 - Finance</b>	<b>28 858</b>	<b>31 476</b>	<b>29 743</b>	<b>(1 733)</b>	<b>-6%</b>
2.1 - Finance	23 126	25 395	23 295	(1 907)	-8%
2.2 - Budget and Treasury Office	1 837	2 094	2 248	(14)	-1%
2.3 - Supply Chain Management	2 186	2 232	2 543	314	14%
2.4 - Director: Finance Services	1 709	1 755	1 657	(125)	-7%
<b>Vote 3 - Corporate Services</b>	<b>30 079</b>	<b>28 779</b>	<b>27 623</b>	<b>(1 157)</b>	<b>-4%</b>
3.1 - Planning and Development	4 218	4 105	4 023	(82)	-2%
3.2 - Human Resources	12 447	10 960	11 056	96	1%
3.3 - Information Technology	3 252	3 400	3 558	157	4%
3.4 - Administrative and Corporate Support	8 351	8 423	7 225	(1 198)	-17%
3.5 - Director: Corporate Services	1 811	1 891	1 760	(131)	-7%
<b>Vote 4 - Technical Services</b>	<b>192 932</b>	<b>195 700</b>	<b>192 018</b>	<b>(3 682)</b>	<b>2%</b>
4.1 - Building Control	1 994	1 926	1 847	(79)	-4%
4.2 - Project Management Unit	1 828	1 567	1 578	11	1%
4.3 - Property Services	7 218	7 077	6 634	(443)	-3%
4.4 - Director: Technical Services	1 708	1 921	1 789	(132)	-7%
4.5 - Solid Waste Removal	20 835	22 475	25 530	3 055	14%
4.6 - Street Cleaning	2 996	3 352	3 344	(8)	0%
4.7 - Sewerage	8 284	9 529	5 675	(3 854)	-5%
4.8 - Waste Water Treatment	3 806	3 466	3 143	(323)	-9%
4.9 - Storm Water Management	1 049	747	695	(53)	-7%

4.10 - Water Distribution	17 808	16 782	16 549	(233)	3%
4.11 - Water Treatment	2 923	2 439	2 317	(122)	-5%
4.12 - Roads	26 703	25 866	25 932	66	2%
4.13 - Electricity	94 739	97 490	95 900	(1 590)	1%
4.14 - Street Lighting	1 039	1 063	1 085	22	2%
<b>Vote 5 - Community Services</b>	<b>59 231</b>	<b>54 655</b>	<b>48 672</b>	<b>(5 983)</b>	<b>-12%</b>
5.1 - Director: Community Services	2 018	1 784	1 690	(94)	-6%
5.2 - Libraries and Archives	7 315	7 343	6 730	(613)	-9%
5.3 - Community Halls and Facilities	912	860	867	7	1%
5.4 - Cemeteries	764	768	709	(58)	-8%
5.5 - Housing (Core)	1 375	1 377	1 386	9	1%
5.6 - Housing (Non-Core)	7 023	3 935	33	(3 903)	-11982%
5.7 - Traffic Control	18 108	17 051	16 957	(94)	-1%
5.8 - Fire Fighting and Protection	1 349	1 452	1 286	(166)	-13%
5.9 - Community Parks	10 069	9 256	9 304	48	1%
5.10 - Sports Grounds and Stadiums	2 166	2 753	2 356	(397)	-17%
5.11 - Swimming Pools	927	826	858	32	4%
5.12 - Holiday Resorts	5 675	5 720	5 025	(695)	-14%
5.13 - Holiday Resorts (old)	-	-	-	-	#DIV/0!
5.14 - Holiday Resorts (PW Koorts)	33	30	-	(30)	#DIV/0!
5.15 - Road and Traffic Regulation	1 497	1 501	1 471	(30)	-2%
<b>Total Expenditure by Vote</b>	<b>335 845</b>	<b>335 343</b>	<b>321 654</b>	<b>(13 689)</b>	<b>(0)</b>
				-	
<b>Surplus/ (Deficit) for the year</b>	<b>14 316</b>	<b>13 185</b>	<b>26 546</b>	<b>13 361</b>	<b>0</b>

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#### 5.1.2 FINANCIAL GRANTS

The Municipality received the following operating transfers and grants during the 2018/19 financial year:

TABLE 172: OPERATING GRANTS AND TRANSFERS

DESCRIPTION	BUDGET YEAR 2018/19		
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEARTD ACTUAL
<b>R thousands</b>			
<b>RECEIPTS:</b>			
<b>Operating Transfers and Grants</b>			
<b>National Government:</b>	<b>47 292</b>	<b>46 901</b>	<b>47 652</b>
Local Government Equitable Share	41 390	41 390	41 390
Finance Management	898	898	898
Integrated National Electrification Programme (Municipal) Grant	391	-	-
EPWP Incentive	1 413	1 413	1 413
Municipal Infrastructure (MIG)	3 200	3 200	3 951
<b>Provincial Government:</b>	<b>14 423</b>	<b>11 323</b>	<b>7 418</b>

DESCRIPTION	BUDGET YEAR 2018/19		
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEARTD ACTUAL
Library Services	6 635	6 635	6 635
Maintenance of Proclaimed Roads	98	98	93
Financial Management Support Grant	690	690	690
Housing	7 000	3 900	
<b>Other grant providers:</b>	<b>33</b>	<b>667</b>	<b>955</b>
Go Flow	33	33	–
Chieta			189
Heis op den Berg	–	634	767
<b>Total Operating Transfers and Grants</b>	<b>61 748</b>	<b>58 891</b>	<b>56 025</b>
<b>Capital Transfers and Grants</b>			
<b>National Government:</b>	<b>19 815</b>	<b>20 206</b>	<b>19 455</b>
Municipal Infrastructure (MIG)	16 554	16 554	15 803
Integrated National Electrification Programme (Municipal) Grant	2 609	3 000	3 000
Finance Management	652	652	652
<b>Provincial Government:</b>	<b>1 620</b>	<b>1 620</b>	<b>1 060</b>
Library Services	620	620	60
Regional Socio - Economic Project/Violence Prevention through Urban Upgrading	1 000	1 000	1 000
<b>Total Capital Transfers and Grants</b>	<b>21 435</b>	<b>21 826</b>	<b>20 515</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>83 183</b>	<b>80 717</b>	<b>76 540</b>

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The following transfers and grants that the Municipality received during the 2018/19 financial year were utilized as follows:

▲ **FINANCE MANAGEMENT GRANT (NATIONAL GOVERNMENT)**

R 1 550 000 was received for the 2018/19 financial year. R 897 826 was spent on operational expenses and R 652 174 was spent on capital expenses. The operational expenses included intern salaries, assistance with the compilation and review of the financial statements, addressing audit queries and training for staff of the Finance Department. The capital expenses were earmarked for the upgrading of the financial system to implement a mSCOA compliant financial system by 1 July 2017 and the continued development of the system to ensure full compliance.

▲ **MUNICIPAL INFRASTRUCTURE GRANT (MIG)**

The grant for 2018/19 financial year was R 19 754 000. During the year the full allocation amount of R 19 754 000 was spent with the majority of the capital expenditure relating to the refurbishment and upgrade of WWTW, PV Pumphouse and MIG Ringfenced Sports Projects. An amount of R 717 884 was operational expenditure of the PMU office.

▲ **WESTERN CAPE FINANCE MANAGEMENT SUPPORT GRANT (PROVINCIAL GOVERNMENT)**

An allocation of R 330 000 for the 2018/19 financial year was received and spent on support with

mSCOA and reconciliations of control accounts.

▲ **EXTENDED PUBLIC WORKS PROGRAMME EPWP)**

R 1 413 000 was received and the funds were utilised to create temporary job opportunities for unemployed persons. The Grant funds were mainly implemented for the following focus areas to enhance the living conditions of the community,

- Road and Stormwater maintenance and Infrastructure Development;
- Cleaning of inner town;
- Waste Management;
- Community Safety, and
- Tourism and Cultural Industries.

▲ **COMMUNITY DEVELOPMENT WORKER (CDW)**

The unspent balance of R 13 947 as at 30 June 2017 has not been spent nor returned to Provincial Government. The Community Development Worker is no longer employed by the municipality.

▲ **LIBRARY SERVICES GRANT**

R 7 255 000 was received from Provincial Government and the funds were used to deliver library services for 14 libraries in our area and included the salaries of temporary workers. R 620 000 of this grant was used for capital projects which included the building of a new Library hall for Noordhoek Library. The amount of R 560 015 was unspent at 30 June 2019. An application to roll-over the unspent amount was submitted to Provincial Treasury.

▲ **INTEGRATED NATIONAL ELECTRIFICATION**

R 3 000 000 was received for the 2018/2019 financial year. These funds were utilised for HT Feeder to Noordhoek to increase the demand of electricity for the new Low Cost Housing development.

▲ **REGIONAL SOCIO-ECONOMIC PROJECT/VIOLENCE PREVENTION THROUGH URBAN UPGRADING**

An allocation of R 1 000 000 was received in the 2018/19 financial year and was used for the construction of an additional sidewalk at the Calendula Street extension as well as the establishment of an outdoor gym and paved pedestrian walkway in Piketberg.

### 5.1.3 ASSET MANAGEMENT

The asset base of the Municipality is integral to the municipality's ability to provide services to the community in terms of its constitutional mandate such as provision of water, electricity, sanitation and maintenance of roads. It is the duty of the municipality in terms of its asset management policy to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use, and are not unproductive or idle.

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Assets that are unproductive, idle or not operating in the manner intended or to sufficient capacity are assessed on an ongoing basis for impairment, and written off and replaced where applicable. Assets are managed and maintained by the Directorate under which they resort and provision is made under their respective operational budgets for maintenance over the life cycle of the asset. The Asset Unit within Financial Services is responsible for maintaining the asset register, annual asset counts, capturing of newly acquired assets on the asset register and the removal of obsolete or written off assets from the asset register.

During the 2018/19 financial year an auction of redundant and obsolete assets was held and yielded proceeds in the amount of R 420 988.59. The following table indicates the three largest assets acquired during 2018/19:

TABLE 173: TREATMENT OF THE 3 LARGEST ASSETS ACQUIRED DURING THE FINANCIAL YEAR

DESCRIPTION	ORIGINAL BUDGET 2018/2019	ADJUSTMENT BUDGET 2018/2019	ACTUAL 2018/2019	% SPENT
Refurbishment and upgrade of WWTW	9,155,884.00	9,155,884.00	9,366,601.69	102%
Ht Feeder to Noordhoek	2,608,696.00	3,000,000.00	3,107,824.37	104%
MIG Ringfenced projects (sport)	4,709,000.00	4,709,000.00	4,701,626.96	100%

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## 5.2 FINANCIAL RATIOS AND INDICATORS

Municipalities make use of a number of operating ratios and indicators to enable them to benchmark their financial performance. The following are of particular importance:

### 5.2.1 CURRENT RATIO

The current ratio is calculated on the basis of current assets divided by current liabilities. The current ratio is a measure of the ability of the Municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the Municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a current ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. The Municipality's liquidity ratio showed a vast improvement from the previous financial years and can be attributed to the increase in cash and investments. During 2015/16, Bergrivier Municipality had the third best current ratio in the Western Cape at 3.12:1. This ratio further increased to 3.20:1 at the end of 2016/17 and 3.78:1 at the end of the 2017/18 financial years. The restated figures for 2017/2018 shows a slightly decrease in the ratio to 3.60:1. The ratio increased in 2018/2019 to 4.11:1

TABLE 174: CURRENT RATIO

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIO
------	----------------	---------------------	-------

2016/2017	163,237,217	50,751,285	321.64%
2017/2018	169,480,905	44,793,286	378.36%
2017/2018 (Restated)	150,083,556	41,630,038	360.52%
2018/2019	156,800,812	38,073,278	411.84%

### 5.2.2 COST COVERAGE

The cost coverage ratio is the ratio of the available cash plus investments divided by monthly fixed operational expenditure. The ratio indicates the municipality's ability to meet at least its monthly fixed operational commitments from cash and short term investments without collecting any additional revenue during that month. The norm ranges between 1 to 3 months. It implies that the more cash reserves the municipality has available, the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services. The Municipality's cost coverage ratio showed an improvement from the previous financial years from 3.1 in 2015/16 to 3.22 months in the 2016/17 and eventually to 3.61 months in the 2017/18 financial year. The Municipality's cost coverage decreased to 2.98 months in the 2018/2019 financial year.

TABLE 175: COST COVERAGE RATIO

YEAR	AVAILABLE CASH + INVESTMENTS	MONTHLY FIXED OPERATIONAL EXPENDITURE	RATIO
2016/2017	81,635,059	20,386,869	4.00
2017/2018	77,736,494	21,540,469	3.61
2017/2018 (Restated)	77,736,494	21,740,329	3.58
2018/2019	70,784,143	23,780,060	2.98

### 5.2.3 SERVICE DEBTORS TO REVENUE

The service debtor to revenue ratio is the percentage outstanding debtors to annual revenue. The Municipality's outstanding service debtors to revenue showed an increase from the previous year.

TABLE 176: OUTSTANDING SERVICE DEBTORS TO REVENUE RATIO

YEAR	TOTAL OUTSTANDING SERVICE DEBTORS	ANNUAL REVENUE RECEIVED FOR SERVICES	RATIO
2016/2017	53,361,832	149,250,118	35.75%
2017/2018	62,892,937	145,624,075	43.19%
2017/2018 (Restated)	71,059,667	145,624,075	48.80%
2018/2019	87,444,556	160,631,071	54.44%

#### 5.2.4 DEBT COVERAGE

TABLE 177: DEBT COVERAGE RATIO

YEAR	TOTAL OPERATING REVENUE - OPERATING GRANTS	DEBT SERVICE PAYMENTS WITHIN FINANCIAL YEAR	RATIO
2016/2017	277,035,144	10,822,191	25.60
2017/2018	284,123,540	11,514,728	24.67
2017/2018 (Restated)	285,691,576	11,514,728	24.81
2018/2019	313,050,079	11,673,958	26.82

#### 5.2.5 CREDITOR SYSTEM EFFICIENCY

Creditor's systems efficiency is based on the % of creditors paid within 30 days as required by Section 65 (e) of the Municipal Finance Management Act, 2003 (Act 56 of 2003). The Municipality's creditor efficiency rate is 100 %.

#### 5.2.6 CAPITAL CHARGES TO OPERATING EXPENDITURE

The Capital Charges to Operating Expenditure ratio is a percentage of interest and principal debt paid divided by operating expenditure. The Municipality's capital charges to expenditure have shown a continued decrease from the previous year.

TABLE 178: CAPITAL CHARGES TO OPERATING EXPENDITURE RATIO

YEAR	INTEREST + PRINCIPLE PAID	OPERATING EXPENDITURE	RATIO
2016/2017	10,010,121	276,620,373	3.62%
2017/2018	10,801,513	291,303,429	3.71%
2017/2018 (Restated)	10,801,513	296,343,528	3.64%
2018/2019	11,523,685	321,654,267	3.58%

#### 5.2.7 EMPLOYEE COSTS

Employee costs are calculated as a percentage of total operating expenditure. The Municipality's employee cost ratio showed a slight increase from the previous year from 38.30 % in 2017/18 to 38.39% in the current 2018/19 financial year. The increase was attributed to filling of new and vacant posts that were not filled in 2017/18 due to the restructuring process. The staff budget would have to be carefully managed to remain within Treasury norms.

TABLE 179: EMPLOYEE COST RATIO

YEAR	EMPLOYEE COSTS	OPERATING EXPENDITURE	RATIO
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YEAR	EMPLOYEE COSTS	OPERATING EXPENDITURE	RATIO
2016/2017	102,241,763	276,620,373	36.96%
2017/2018	111,580,828	291,303,429	38.30%
2017/2018 (Restated)	111,580,828	296,343,528	37.65%
2018/2019	123,486,307	321,654,267	38.39%

### 5.2.8 REPAIRS AND MAINTENANCE

Repairs and Maintenance costs are calculated as a percentage of the Municipality's total operating expenditure. It must be noted that employee and transport costs are not included in expenditure as the Municipality does not have a costing system. This ratio indicates whether sufficient provision is made, in respect of repairs and maintenance for property, plant and equipment. One of the Municipality's development priorities is to maintain our existing infrastructure in a good state of repair to prevent unnecessary capital outlay in the future. The Municipality's repairs and maintenance ratio showed an increase from the previous year.

TABLE 180: REPAIRS AND MAINTENANCE RATIO

YEAR	REPAIRS AND MAINTENANCE	OPERATING EXPENDITURE	RATIO
2016/2017	8,754,887	276,620,373	3.16%
2017/2018	7,502,527	291,303,429	2.58%
2017/2018 (Restated)	7,502,527	296,343,528	2.53%
2018/2019	8,483,267	321,654,267	2.64%

### 5.2.9 DEBT RECOVERY RATE

The Municipality's debt recovery rate for 2018/19 is 94.19 % which is an increase from the previous year's 91.74 %. The debt recovery rate is based on the last 12 months receipts divided by the last 12 months billing. Debt recovery is deemed a priority and the Municipality will be investigating alternative debt collection methods and implement a strategic planned revenue management action plan during 2019/20. The increase could be attributed to the better understanding of the new financial system, more effective credit control procedures, and the in-house follow up of outstanding accounts with no services.

## 5.3 SPENDING AGAINST CAPITAL BUDGET

### 5.3.1 CAPITAL EXPENDITURE

The original capital budget for 2018/19 was R 45 663 870. During the adjustment budget, this amount increased to R 45 857 674. The total capital expenditure for the year was R 41 608 511.

### 5.3.2 SOURCES OF FINANCE

The Municipality's major sources of capital finance are:

- ▲ Internally generated funds (Capital Replacement Reserve fund) (CRR);
- ▲ Loans, which will be elaborated on under paragraph 5.8;
- ▲ Municipal Infrastructure Grant Funding (MIG) which is used for infrastructure development projects; and
- ▲ Department of Mineral and Energy (DME) funding.

### 5.4 CASH FLOW MANAGEMENT AND INVESTMENTS

#### 5.4.1 CASH FLOW

The Municipality's cash flow for the 2018/19 financial year were as follows:

TABLE 181: CASH FLOW OUTCOMES

	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE
	2019	2019	2019	2019	2019
	R	R	R	R	R
<b>CASH FLOWS</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates, penalties & collection charges	64,830,512	(335,910)	64,494,602	65,464,520	969,918
Service charges	162,311,425	650,495	162,961,920	147,981,876	(14,980,044)
Other revenue	14,223,501	(273,265)	13,950,236	14,375,603	425,367
Government – operating	61,748,130	(2,857,029)	58,891,101	56,453,018	(2,438,083)
Government – capital	21,434,870	391,304	21,826,174	20,514,803	(1,311,371)
Interest	9,253,582	(1,424)	9,252,158	6,202,756	(3,049,402)
<b>Payments</b>					
Suppliers and employees	(279,622,067)	2,696,621	(276,925,446)	(267,715,321)	9,210,125
Finance charges	(6,596,330)	-	(6,596,330)	(6,404,172)	192,158
Transfers and grants	(5,280,520)	-	(5,280,520)	(5,322,700)	(42,180)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>42,303,104</b>	<b>270,791</b>	<b>42,573,895</b>	<b>31,550,382</b>	<b>(11,023,513)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	-	-	-	785,990	785,990
Decrease (increase) other non-current receivables	-	-	-	43,347	43,347
<b>Payments</b>					
Capital assets	(45,663,870)	(193,804)	(45,857,674)	(40,908,511)	4,949,163
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(45,663,870)</b>	<b>(193,804)</b>	<b>(45,857,674)</b>	<b>(40,079,174)</b>	<b>5,778,500</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Borrowing long term/refinancing	6,950,000	-	6,950,000	6,950,000	-
Increase (decrease) in consumer	133,926	-	133,926	200,445	66,519

	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE
	2019	2019	2019	2019	2019
	R	R	R	R	R
deposits					
<b>Payments</b>					
Repayment of borrowing	(4,126,585)	(992,928)	(5,119,513)	(5,119,513)	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>2,957,341</b>	<b>(992,928)</b>	<b>1,964,413</b>	<b>2,030,932</b>	<b>66,519</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(403,425)</b>	<b>(915,942)</b>	<b>(1,319,366)</b>	<b>(6,497,860)</b>	<b>(5,178,494)</b>
Cash/cash equivalents at the year begin:	84,643,085	(6,707,121)	77,935,964	77,935,964	-
Cash/cash equivalents at the year end:	84,239,660	(7,623,063)	76,616,598	71,438,105	(5,178,493)

*Audited Annual Financial Statements 2017/18*

#### 5.4.2 BORROWING AND INVESTMENTS

The Municipality raised a new external loan to the value of R 6 950 000 during the 2018/19 financial year to finance long-term capital expenditure projects aimed at improving service delivery.

TABLE 182: EXTERNAL DEBT REATED, REPAID OR REDEEMED AND EXPECTED BORROWING

	LOAN		MATURITY	OPENING BALANCE	RECEIVED	REDEEMED	CLOSING BALANCE
INSTITUTION	NUMBER	RATE	DATE	1 JULY 2018	DURING YEAR	DURING YEAR	30-Jun-19
<b>ANNUITY LOANS</b>							
DBSA	61003131	16.50%	2020-12-31	341,432	-	(120,603)	220,829
Nedbank	05/7831032282	11.27%	2023-06-12	2,467,734	-	(395,140)	2,072,594
DBSA	61000757	9.86%	2018-12-31	491,801	-	(491,801)	-
DBSA	61001029	12.41%	2030-06-30	14,656,134	-	(579,177)	14,076,957
DBSA	61006811	11.53%	2031-06-30	3,468,515	-	(125,032)	3,343,483
DBSA	61006837	11.59%	2036-06-30	8,314,648	-	(150,635)	8,164,013
DBSA	61006975	11.33%	2032-06-30	3,546,400	-	(113,650)	3,432,750
Standard Bank	252933753	11.95%	2024-06-30	4,982,529	-	(611,036)	4,371,493
Standard Bank	252933737	11.25%	2019-06-30	492,412	-	(492,412)	-
Standard Bank	410683566	10.26%	2023-06-30	6,080,000	-	(992,982)	5,087,018
ABSA	3044794458	9.99%	2021-06-30	282,973	-	(85,164)	197,809
ABSA	3044701437	10.57%	2026-06-12	4,966,100	-	(417,670)	4,548,430
ABSA	3046456438	10.12%	2027-06-30	5,618,154	-	(403,676)	5,214,478
ABSA	3046456399	9.77%	2022-06-30	654,152	-	(140,535)	513,617
DBSA	61007572	9.28%	2029-06-29	-	5,850,000	-	5,850,000
DBSA	61007573	8.90%	2024-06-30	-	1,100,000	-	1,100,000
<b>Total Annuity Loans</b>				<b>56,362,984</b>	<b>6,950,000</b>	<b>(5,119,513)</b>	<b>58,193,471</b>

## 5.5 SUPPLY CHAIN MANAGEMENT

The SCM unit suffered a resignation, a promotion and a retirement from three key employees that contributed to the high level of compliance. The unit was fortunate to appoint experienced officials in their absence which will take the municipality forward for the next few years.

## 5.6 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The National Treasury, in association with other key stakeholders, has led the process of the development of accounting reforms in the South African Public Sector since 1998. There are also clear roles of responsibilities for the ASB (Accounting Standards Board), the National Treasury and the Auditor-General, which can be summarised as follows:

- ▲ The ASB sets the accounting standards;
  - National Treasury assists in the implementation of the standards by, for example, developing the appropriate formats, making recommendations and regulating the approach to implementation, providing guidance and rendering support for implementation, including training; and
- ▲ The Auditor-General audits annual financial statements in line with the standards.

The accounting principles, concepts and disclosure requirements are included in the standards of Generally Recognised Accounting Practice (GRAP), also referred to as the accounting standards. The accounting standards give the following guidance to the preparers of Annual Financial Statements when dealing with specific topics. They explain:

- ▲ the accounting treatment of transactions, in other words the debit and credit entries, including when to recognise these entries;
- ▲ the accounting measurement of transactions; and
- ▲ the presentation and disclosure requirements of transactions in the entity's Annual Financial Statements.

In terms of paragraph 63 of the Framework for the Preparation and Presentation of Annual Financial Statements the application of GRAP normally results in financial statements that convey what is generally understood as a fair presentation of such information.

## 5.7 MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA) COMPLIANCE

The National Treasury published the Municipal Regulations on Standard Chart of Accounts (mSCOA) in Government Gazette 37577 dated 22 April 2014 with the aim of implementing a uniform system of reporting amongst the then 278 municipalities. This system was to be implemented by 01 July 2017 by all municipalities and immediately start reporting to National Treasury using the new system.

Bergvriër Municipality's financial system was not mSCOA compatible and /or compliant and had to procure a new financial system, namely Phoenix that is developed by VESTA Technical Services. The implementation of the new system had its challenges and resulted in municipal accounts being delivered late for August, September and October 2017. This negatively impacted on the collection rate and the municipality is still recovering from this challenge. The milestones set by National Treasury during the year were however continuously met by the municipality and amongst the challenges the Auditor General still expressed a favourable opinion on the audit of the financial information. The staff will continue to work on improving the utilisation of the system to fully achieve the compliance requirements as set out in the Regulations.

#### 5.8 2018/19 ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements of the Bergvriër Municipality for 2018/19 have been prepared in accordance with Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in Accordance with Section 122(3) of the said Act. The Annual Financial Statements which contain the report of the Auditor General are appended as Volume II.

## ACRONYMS AND ABBREVIATIONS

ACDI	African Climate Change Development Initiative
AFS	Annual Financial Statements
AG	Auditor General
BEMF	Berg Estuary Management Forum
BTO	Bergrivier Tourism Organisation
CDW's	Community Development Workers
CFO	Chief Finance Officer
COGTA	Cooperative of Governance Traditional Affairs
BDSA	Development Bank of South Africa
DCAS	Department of Culture, Art and Sport
DEADP	Department of Environmental Affairs and Development Planning
DORA	Division of Revenue Act
EDP	Economic Development Partnership
EE	Employment Equity
EPWP	Expanded Public Works Programme
FET	Further Education and Training
FLOW	Fostering Local Wellbeing
FMG	Financial Management Grant
GDPR	Gross Domestic Product for the Region
HDI	Human Development Index
ICMP	Integrated Coastal Management Plan
ICT	Information Communication Technology
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
INE	Integrated National Electrification
IWMP	Integrated Waste Management Plan
JMAQWG	Joint Municipal Air Quality Working Group

KPA	Key Performance Areas
KPI	Key Performance Indicators
LAB	Local Action for Biodiversity
LBSAP	Local Biodiversity Strategic Action Plan
LED	Local Economic Development
LDAC	Local Drug Action Committee
LLF	Local Labour Forum
MDB	The Municipal Demarcation Board
MERO	Municipal Economic Review and Outlook
MFMA	Local Government Municipal Financial Management Act 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Local Government Municipal Systems Act 32 of 2000
NBR	National Building Regulations
OHS	Occupational Health and Safety
PACA	Participatory Appraisal of Competitive Advantage
PDO	Predetermined Objective
PGWC	Provincial Government of the Western Cape
PMS	Performance Management System
PR	Proportional Representation Councillors
RTO	Regional Tourism Organisation
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SEP	Social Development Plan
TMF	Table Mountain Fund
UAW	Unaccounted for water
UCT	University of Cape Town
VIP	Ventilated Pit Latrine
WCAQWG	West Coast Air Quality Working Group
WC/WDM	Water Conservation / Water Demand Management

WCBDC	West Coast Business Development Centre
WCDM	West Coast District Municipality
WSDP	Water Services Development Plan
WWTW	Waste Water Treatment Works

## **ANNEXURES**

[ANNEXURE 1: COUNCILLORS: COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE](#)

**SEE PARAGRAPH 2.2**

**SEE PARAGRAPH 2.2**

**SEE PARAGRAPH 2.2**

**SEE CHAPTER 1: PAR 1.1**

**AVAILABLE ON REQUEST**

# **INFORMATION CONTAINED IN INTEGRATED DEVELOPMENT PLAN**

**SEE VOLUME 2**

**SEE CHAPTER 3: PAR 3.10.5**

**SEE CHAPTER 3: PAR 3.10.5**

**AVAILABLE ON REQUEST**

**SEE VOLUME 2**

**INFORMATION TO BE OBTAINED FROM  
DEPARTMENT OF EDUCATION AND  
DEPARTMENT OF HEALTH**

ANNEXURE 17: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

**INFORMATION CURRENTLY NOT AVAILABLE**

**SEE VOLUME 2**

**NONE**

**NONE**

**SEE PARAGRAPH 2.2.1**

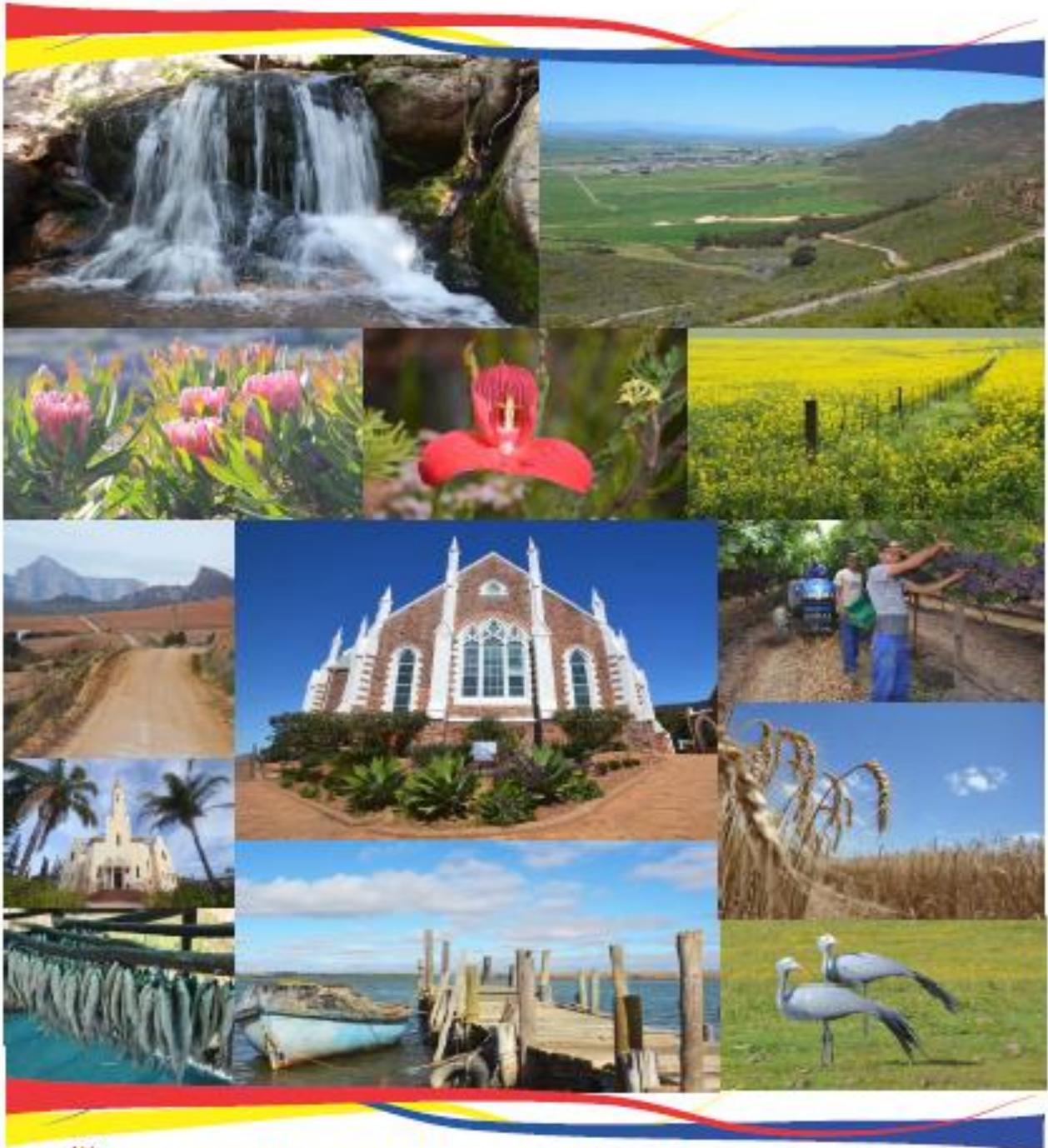
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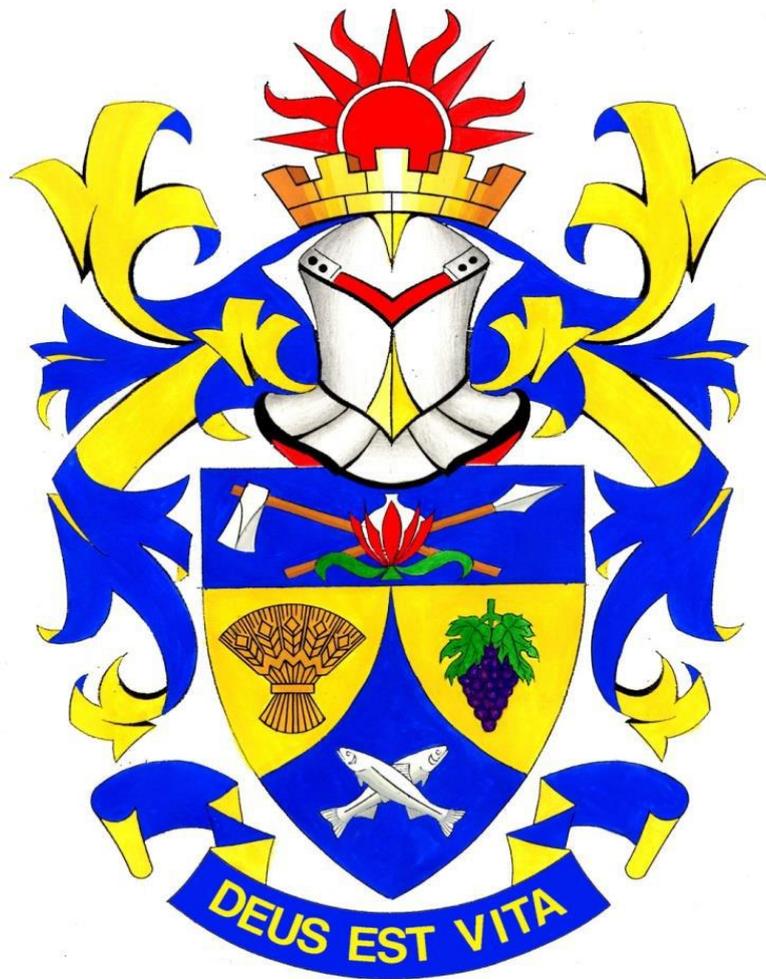
VOLUME II: ANNUAL REPORT: 2018/19



**MUNISIPALITEIT - BERGRIVIER - MUNICIPALITY**

**ONS DIEN MET TROTS / WE SERVE WITH PRIDE**

# BERGRIVIER LOCAL MUNICIPALITY



## ATTACHED AS VOLUME II:

- AUDIT REPORT OF AUDITOR GENERAL
- REPORT OF AUDIT COMMITTEE
- AUDITED ANNUAL FINANCIAL STATEMENTS

# Report of the auditor-general to the Western Cape Provincial Parliament and council on the Bergrivier Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Bergrivier Municipality set out on pages 318 to 394, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget with 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 Bergrivier Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act no. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act no. 1 of 2018) (Dora).

### Context for the opinion

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

### Emphasis of matters

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

### **Material losses/impairments – trade debtors**

7. As disclosed in the note three to the financial statements, the municipality has provided for impairment of trade and other receivables from exchange transaction amounting to R34,076 million (2017-18: R30,669 million).
8. As disclosed in the note four to the financial statements, the municipality has provided for impairment of trade and other receivable from non-exchange transaction amounting to R23,292 million (2017-18: R28,683 million).
9. As disclosed in the note 32 to the financial statements, the municipality has impaired receivables by R16,122 million (2017-18: R15,312 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 81 to 89 does not form part of the annual financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### **Unaudited disclosure notes**

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

### **Responsibilities of the accounting officer for the financial statements**

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 Bergrivier Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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 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 this 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 key performance 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 key performance areas presented in the annual performance report of the municipality for the year ended 30 June 2019:

Key performance areas	Pages in annual performance report
Strategic objective1 – To budget strategically, grow and diversify our revenue and ensure value for money-services	233 - 234

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 these key performance areas:

- Strategic objective1 – To budget strategically, grow and diversify our revenue and ensure value for money-services

### **Other matters**

22. I draw attention to the matters below.

### **Achievement of planned targets**

23. Refer to the annual performance report on pages 9,19, 21, 23 to 26 and 28 for information on the achievement of planned targets for the year.

## **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 set out in the general notice issued in terms of the PAA Other information

### **Other information**

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this 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 key performance 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 on it. I did not identify any significant deficiencies in internal control.

*Auditor General*

Cape Town

29 November 2019



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

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

### **Financial statements**

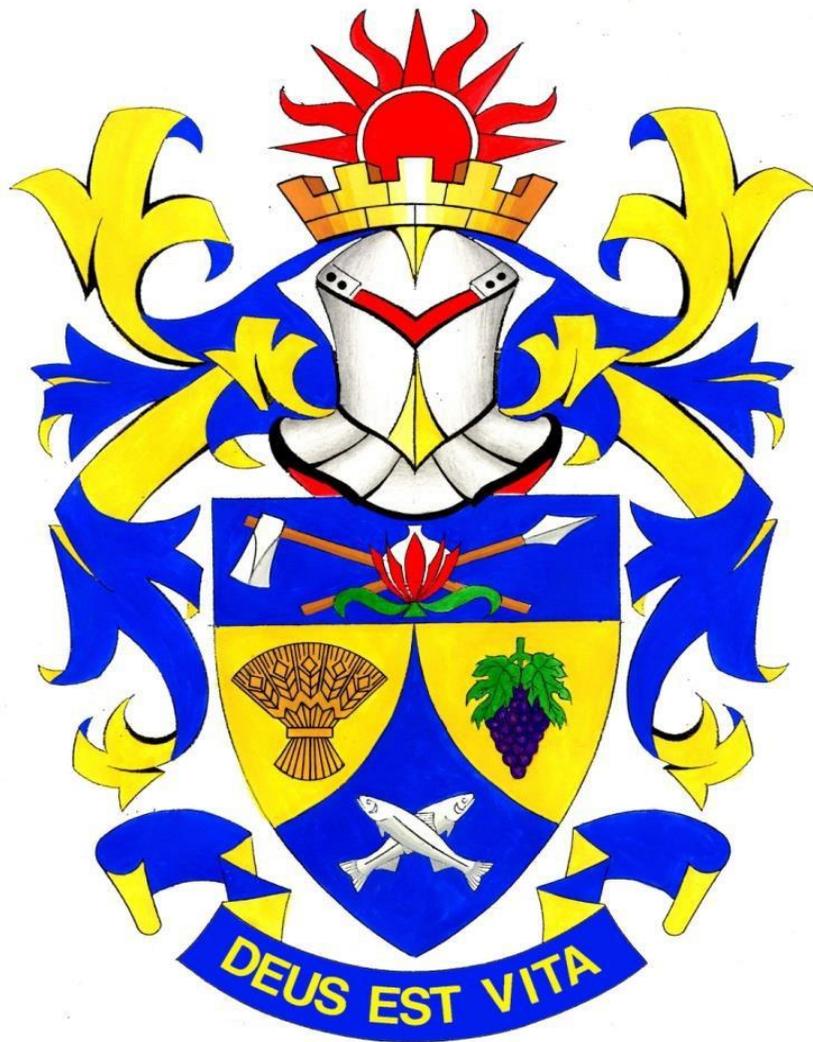
2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks,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

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

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

# **BERGRIVIER LOCAL MUNICIPALITY**



## **AUDITED ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2019**

# BERGRIVIER LOCAL MUNICIPALITY

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# BERGRIVIER LOCAL MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

Bergrivier Local Municipality performs the functions as set out in the Constitution of South Africa, 1996

### LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act, 1998 (Act 117 of 1998).

### JURISDICTION

The Bergrivier Local Municipality includes the following areas:

Piketberg	Eendekuil	Aurora
Porterville	Redelinghuys	Wittewater
Velddrif	Dwarskersbos	Goedverwacht

### MEMBERS OF THE COUNCIL

Ward 1	Cllr J Daniels
Ward 2	Cllr AJ du Plooy
Ward 3	Ald A de Vries
Ward 4	Ald RM van Rooy
Ward 5	Cllr A van Wyk
Ward 6	Cllr A Small
Ward 7	Ald SM Crafford
Proportional	Cllr JC Botha
Proportional	Cllr MA Wessels
Proportional	Cllr D De Bruin
Proportional	Ald SIJ Smit
Proportional	Cllr I Adams
Proportional	Cllr SS Lesch

### MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	Ald RM van Rooy	(Elected 20 July 2018)
Deputy Executive Mayor	Ald SM Crafford	(Acting Executive Mayor 23 May 2018 - 20 July 2018)
Executive Councillor	Cllr AJ du Plooy	
Executive Councillor	Cllr M Wessels	

### MUNICIPAL MANAGER

Adv. H Linde

### CHIEF FINANCIAL OFFICER

Mr M Wüst (Resigned 31 August 2019)

### AUDIT COMMITTEE

Ms R Gani  
Mr CB de Jager  
Ms S Smith  
Ms KE Montgomery (Resigned 25 June 2019)  
Mr B van Staaden

# BERGRIVIER LOCAL MUNICIPALITY

## GENERAL INFORMATION

### REGISTERED OFFICE

13 Church Street  
Piketberg

### POSTAL ADDRESS

PO Box 60  
Piketberg  
7320

### AUDITORS

Office of the Auditor General (WC)

### PRINCIPLE BANKERS

Nedbank Limited  
ABSA Bank Limited

### ATTORNEYS

De Villiers Van Zyl  
Swemmer & Levin  
Fox en Cronje  
Jacques Ehlers

### RELEVANT LEGISLATION

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)  
Collective Agreements  
Compensation for Occupational Injuries and Diseases Act 130 of 1993  
Division of Revenue Act  
Electricity Act, 1987 (Act 41 of 1987)  
Employment Equity Act, 1998 (Act 55 of 1998)  
Employment Services Act 4 of 2014  
Housing Act, 1997 (Act 107 of 1997)  
Labour Relations Act 66 of 1995  
Municipal Budget and Reporting Regulations  
Municipal Finance Management Act, 2003 (Act 56 of 2003)  
Municipal Planning and Performance Management Regulations  
Municipal Property Rates Act, 2004 (Act 6 of 2004)  
Municipal Regulations on a Standard Chart of Accounts, 2014  
Municipal Structures Act, 1998 (Act 117 of 1998)  
Municipal Systems Act, 2000 (Act 32 of 2000) as Amended  
National Environmental Management Act, 2008 (Act 62 of 2008)  
National Minimum Wage Act 9 of 2018  
Occupational Health and Safety Act, 1993 (Act 85 of 1993) Preferential  
Procurement Policy Framework Act, 2000 (Act 5 of 2000)  
Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998)  
SALGBC Leave Regulations  
Skills Development Levies Act, 1999 (Act 9 of 1999)  
Supply Chain Management Regulations, 2005  
The Income Tax Act  
Unemployment Insurance Act, 1966 (Act 30 of 1966)  
Unemployment Insurance Contributions Act 4 of 2002  
Value Added Tax Act  
Water Services Act, 1997 (Act 108 of 1997)

# BERGRIVIER LOCAL MUNICIPALITY

## APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

### APPROVAL OF ACCOUNTING OFFICER

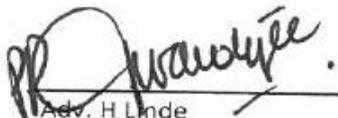
I am responsible for the preparation of these annual financial statements for the year ended 30 June 2019, which are set out on pages 1 to 80 in terms of Section 126 (1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits 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.

  
Adv. H Linde  
Municipal Manager

30/08/2019.  
Date

**BERGRIVIER LOCAL MUNICIPALITY**  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2019 R (Actual)	2018 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>		<b>156 800 812</b>	<b>150 083 556</b>
Cash and Cash Equivalents	2	71 438 105	77 935 964
Receivables from Exchange Transactions	3	53 367 672	40 390 717
Receivables from Non-Exchange Transactions	4	27 629 831	27 311 301
Taxes	5	1 839 119	-
Operating Lease Asset	6	23 146	39 955
Current Portion of Long-term Receivables	7	172 706	1 303 917
Inventory	8	2 330 233	3 101 703
<b>Non-Current Assets</b>		<b>390 451 910</b>	<b>366 945 476</b>
Long-term Receivables	7	445 778	304 641
Investment Property	9	16 231 461	15 546 452
Property, Plant and Equipment	10	369 471 533	346 812 049
Intangible Assets	11	3 849 127	3 828 322
Heritage Assets	12	454 012	454 012
<b>Total Assets</b>		<b>547 252 722</b>	<b>517 029 033</b>
<b>Current Liabilities</b>		<b>38 073 278</b>	<b>41 630 038</b>
Current Portion of Long-term Liabilities	13	5 145 106	5 119 513
Consumer Deposits	14	3 664 884	3 464 470
Payables from exchange transactions	15	16 040 621	21 545 811
Taxes	5	-	340 103
Unspent Conditional Government Grants	16	653 962	199 470
Operating Lease Liability	6	10 790	-
Current Employee benefits	17	12 557 915	10 960 671
<b>Non-Current Liabilities</b>		<b>150 663 622</b>	<b>143 429 200</b>
Long-term Liabilities	13	53 048 364	51 243 447
Employee benefits	18	37 973 204	39 777 542
Non-Current Provisions	19	59 642 054	52 408 211
<b>Total Liabilities</b>		<b>188 736 899</b>	<b>185 059 237</b>
<b>NET ASSETS</b>		<b>358 515 823</b>	<b>331 969 795</b>
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus		327 406 751	306 774 376
Capital Replacement Reserve	20	30 848 500	24 891 500
Housing Development Fund	20	260 572	303 919
		<b>358 515 823</b>	<b>331 969 795</b>

# BERGRIVIER LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2019

	Notes	2019 R (Actual)	2018 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>161 016 371</b>	<b>140 645 497</b>
<b>Taxation Revenue</b>		<b>67 799 813</b>	<b>62 606 570</b>
Property Rates	21	67 799 813	62 606 570
<b>Transfer Revenue</b>		<b>77 240 208</b>	<b>65 643 519</b>
Government Grants and Subsidies - Operating	22	56 025 405	48 799 496
Government Grants and Subsidies - Capital	22	20 514 803	14 950 441
Contributed Assets	23	700 000	1 893 582
<b>Other Revenue</b>		<b>15 976 349</b>	<b>12 395 408</b>
Insurance Refund		218 885	36 316
Fines, penalties and forfeits	24	9 934 861	7 098 271
Actuarial Gains	25	5 822 604	5 260 821
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>187 183 917</b>	<b>171 652 016</b>
<b>Operating Activities</b>		<b>187 183 917</b>	<b>171 652 016</b>
Service Charges	26	160 631 071	145 624 075
Rental of Facilities and Equipment	27	5 830 400	5 319 490
Interest Earned - external investments		6 202 756	6 729 330
Interest Earned - outstanding debtors		7 390 157	6 843 064
Agency Services	28	4 312 596	4 016 499
Other Income	29	2 311 072	2 553 426
Gain on disposal of Non-Monetary Assets	40	505 865	566 132
<b>TOTAL REVENUE</b>		<b>348 200 287</b>	<b>312 297 513</b>
<b>EXPENDITURE</b>			
Employee Related Costs	30	123 486 307	111 580 828
Remuneration of Councillors	31	6 262 498	5 822 315
Debt Impairment	32	16 122 564	15 312 993
Depreciation and Amortisation	33	20 170 984	20 146 591
Finance Charges	34	15 288 120	14 939 253
Bulk Purchases	35	83 689 111	77 802 743
Contracted Services	36	16 280 561	16 113 307
Transfers and Grants	37	5 322 700	4 150 106
Other Expenditure	38	34 736 013	30 475 392
Actuarial Losses	39	295 409	-
<b>TOTAL EXPENDITURE</b>		<b>321 654 267</b>	<b>296 343 528</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>26 546 020</b>	<b>15 953 985</b>

# BERGRIVIER LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2019

	CAPITAL REPLACEMENT RESERVE R	HOUSING DEVELOPMENT FUND R	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2017 - Previously Reported</b>	<b>17 561 500</b>	<b>393 813</b>	<b>301 733 759</b>	<b>319 689 059</b>
Correction of error restatement - note 41.7	-	-	(3 673 300)	(3 673 300)
<b>Balance on 30 June 2017 - Restated</b>	<b>17 561 500</b>	<b>393 813</b>	<b>298 060 458</b>	<b>316 015 771</b>
Net Surplus for the year	-	-	15 954 025	15 954 025
Transfer to Capital Replacement Reserve	17 397 879	-	(17 397 879)	-
Property, Plant and Equipment purchased	(10 067 879)	-	10 067 879	-
Transfer to Housing Development Fund	-	(89 894)	89 894	-
<b>Balance on 30 June 2018 - Restated</b>	<b>24 891 500</b>	<b>303 919</b>	<b>306 774 376</b>	<b>331 969 796</b>
Net Surplus for the year	-	-	26 546 027	26 546 027
Transfer to Capital Replacement Reserve	19 505 793	-	(19 505 793)	-
Property, Plant and Equipment purchased	(13 548 793)	-	13 548 793	-
Transfer to Housing Development Fund	-	(43 347)	43 347	-
<b>Balance on 30 June 2019</b>	<b>30 848 500</b>	<b>260 572</b>	<b>327 406 751</b>	<b>358 515 823</b>

# BERGRIVIER LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2019

	Notes	2019 R (Actual)	2018 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property Rates		65 464 520	57 024 756
Service Charges and Interest on outstanding Debtors		147 981 876	138 835 803
Other Revenue		14 375 603	18 292 524
Government Grants		76 967 821	63 503 975
Investment Income		6 202 756	6 729 330
<b>Payments</b>			
Suppliers and employees		(267 715 321)	(251 457 952)
Finance charges		(6 404 172)	(6 280 107)
Transfer and Grants		(5 322 700)	(4 150 106)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>42</b>	<b>31 550 382</b>	<b>22 498 224</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of Property, Plant and Equipment		785 990	789 855
<b>Payments</b>			
Purchase of Property, Plant and Equipment		(40 327 013)	(28 021 903)
Purchase of Intangible Assets		(545 846)	(1 167 562)
Purchase of Investment Property		(35 652)	-
(Increase)/Decrease in Long-term Receivables		43 347	14 889
<b>NET CASH USED INVESTING ACTIVITIES</b>		<b>(40 079 174)</b>	<b>(28 384 721)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
New loans raised		6 950 000	6 080 000
Increase in Consumer Deposits		200 446	183 377
<b>Payments</b>			
Loans repaid		(5 119 513)	(4 521 406)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>2 030 933</b>	<b>1 741 971</b>
<b>NET DECREASE IN CASH HELD</b>		<b>(6 497 859)</b>	<b>(4 144 526)</b>
Cash and Cash Equivalents at the beginning of the year		77 935 964	82 080 490
Cash and Cash Equivalents at the end of the year		71 438 105	77 935 964

# BERGRIVIER LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	78 217 620	(8 026 247)	70 191 373	64 585 893	(5 605 479)
Call investment deposits	6 022 041	403 184	6 425 225	6 852 211	426 986
Consumer debtors	72 416 507	9 369 992	81 786 499	75 529 457	(6 257 041)
Other Receivables	7 789 755	(2 389 186)	5 400 569	7 330 311	1 929 742
Current portion of long-term receivables	-	1 303 917	1 303 917	172 706	(1 131 211)
Inventory	2 704 134	397 569	3 101 703	2 330 233	(771 470)
<b>Total current assets</b>	<b>167 150 056</b>	<b>1 059 230</b>	<b>168 209 285</b>	<b>156 800 812</b>	<b>(11 408 473)</b>
<b>Non current assets</b>					
Long-term receivables	2 535 757	(2 231 116)	304 641	445 778	141 137
Investment property	13 109 679	(180 845)	12 928 834	16 231 461	3 302 627
Property, plant and equipment	374 850 949	2 271 019	377 121 968	369 471 533	(7 650 435)
Intangible Assets	4 576 110	(42 340)	4 533 770	3 849 127	(684 644)
Other non-current assets	454 012	-	454 012	454 012	-
<b>Total non current assets</b>	<b>395 526 506</b>	<b>(183 281)</b>	<b>395 343 225</b>	<b>390 451 910</b>	<b>(4 891 315)</b>
<b>TOTAL ASSETS</b>	<b>562 676 562</b>	<b>875 949</b>	<b>563 552 511</b>	<b>547 252 722</b>	<b>(16 299 788)</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	4 349 680	230 953	4 580 633	5 145 106	564 474
Consumer deposits	3 332 290	266 106	3 598 396	3 664 884	66 488
Trade and other payables	30 665 571	(5 416 940)	25 248 631	16 705 372	(8 543 259)
Provisions and Employee Benefits	8 947 920	2 370 731	11 318 651	12 557 915	1 239 264
<b>Total current liabilities</b>	<b>47 295 460</b>	<b>(2 549 149)</b>	<b>44 746 311</b>	<b>38 073 278</b>	<b>(6 673 033)</b>
<b>Non current liabilities</b>					
Borrowing	54 824 563	(1 211 749)	53 612 814	53 048 364	(564 450)
Provisions and Employee Benefits	118 510 914	(5 622 007)	112 888 907	97 615 258	(15 273 650)
<b>Total non current liabilities</b>	<b>173 335 477</b>	<b>(6 833 756)</b>	<b>166 501 721</b>	<b>150 663 622</b>	<b>(15 838 100)</b>
<b>TOTAL LIABILITIES</b>	<b>220 630 937</b>	<b>(9 382 905)</b>	<b>211 248 032</b>	<b>188 736 899</b>	<b>(22 511 133)</b>
<b>NET ASSETS</b>	<b>342 045 625</b>	<b>10 258 854</b>	<b>352 304 478</b>	<b>358 515 823</b>	<b>6 211 344</b>
<b>COMMUNITY WEALTH</b>					
Accumulated Surplus	308 827 312	10 873 248	319 700 559	327 406 751	7 706 191
Reserves	33 218 313	(614 394)	32 603 919	31 109 072	(1 494 848)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>342 045 625</b>	<b>10 258 854</b>	<b>352 304 478</b>	<b>358 515 823</b>	<b>6 211 344</b>

Refer to note 44.2 for explanations of material variances.

Material variances are considered to be any variances greater than R3 million.

# BERGRIVIER LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>					
<b>REVENUE</b>					
Property Rates	67 181 877	-	67 181 877	67 799 813	617 936
Service Charges - Electricity Revenue	112 163 727	769 372	112 933 099	102 121 453	(10 811 646)
Service Charges - Water Revenue	21 865 717	501 078	22 366 795	24 347 734	1 980 939
Service Charges - Sanitation Revenue	12 906 225	31 881	12 938 106	12 876 092	(62 014)
Service Charges - Refuse Revenue	21 262 698	251 302	21 514 000	21 285 792	(228 208)
Rental of Facilities and Equipment	908 391	159 239	1 067 630	5 830 400	4 762 770
Interest Earned - External Investments	5 118 750	20 000	5 138 750	6 202 756	1 064 006
Interest Earned - Outstanding Debtors	4 284 800	-	4 284 800	7 390 157	3 105 357
Fines	9 691 365	(1 323 365)	8 368 000	9 934 861	1 566 861
Licences and Permits	11 437	(437)	11 000	-	(11 000)
Agency Services	4 210 328	-	4 210 328	4 312 596	102 268
Transfers Recognised - Operational	61 748 130	(2 857 029)	58 891 101	56 025 405	(2 865 696)
Other Revenue	7 373 121	423 157	7 796 278	8 352 560	556 282
Gain on disposal of PPE	-	-	-	505 865	505 865
<b>Total Revenue (excluding capital transfers)</b>	<b>328 726 566</b>	<b>(2 024 802)</b>	<b>326 701 764</b>	<b>326 985 484</b>	<b>283 720</b>
<b>EXPENDITURE</b>					
Employee Related Costs	125 026 679	(4 576 441)	120 450 238	123 486 307	3 036 069
Remuneration of Councillors	6 377 666	(59 000)	6 318 666	6 262 498	(56 168)
Debt Impairment	14 142 493	2 961 507	17 104 000	16 122 564	(981 436)
Depreciation and Asset Impairment	21 890 610	474 390	22 365 000	20 170 984	(2 194 016)
Finance Charges	14 013 694	(448 704)	13 564 990	15 288 120	1 723 130
Bulk Purchases	79 480 000	3 163 200	82 643 200	83 689 111	1 045 911
Other Materials	11 414 778	(132 811)	11 281 967	-	(11 281 967)
Contracted Services	24 447 442	(2 261 156)	22 186 286	16 280 561	(5 905 725)
Transfers and Grants	5 280 520	50 000	5 330 520	5 322 700	(7 820)
Other Expenditure	33 771 408	327 103	34 098 511	35 031 422	932 911
<b>Total Expenditure</b>	<b>335 845 290</b>	<b>(501 912)</b>	<b>335 343 378</b>	<b>321 654 267</b>	<b>(13 689 111)</b>
<b>Surplus/(Deficit)</b>	<b>(7 118 724)</b>	<b>(1 522 890)</b>	<b>(8 641 614)</b>	<b>5 331 217</b>	<b>13 972 831</b>
Transfers and subsidies - Capital (monetary)	21 434 870	391 304	21 826 174	20 514 803	(1 311 371)
Transfers and subsidies - Capital (in-kind)	-	-	-	700 000	700 000
<b>Surplus/(Deficit) for the year</b>	<b>14 316 146</b>	<b>(1 131 586)</b>	<b>13 184 560</b>	<b>26 546 020</b>	<b>13 361 460</b>

Refer to note 44.3 for explanations of material variances.

Material variances are considered to be any variances greater than R3 million.

# BERGRIVIER LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>CASH FLOW STATEMENT</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates, penalties & collection charges	64 830 512	(335 910)	64 494 602	65 464 520	969 918
Service charges	162 311 425	650 495	162 961 920	147 981 876	(14 980 044)
Other revenue	14 223 501	(273 265)	13 950 236	14 375 603	425 367
Government Grants	83 183 000	(2 465 725)	80 717 275	76 967 821	(3 749 454)
Interest	9 253 582	(1 424)	9 252 158	6 202 756	(3 049 402)
<b>Payments</b>					
Suppliers and Employees	(279 622 067)	2 696 621	(276 925 446)	(267 715 321)	9 210 125
Finance Charges	(6 596 330)	-	(6 596 330)	(6 404 172)	192 158
Transfers and Grants	(5 280 520)	-	(5 280 520)	(5 322 700)	(42 180)
<b>Net Cash from/(used) Operating Activities</b>	<b>42 303 104</b>	<b>270 791</b>	<b>42 573 895</b>	<b>31 550 382</b>	<b>(11 023 513)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	-	-	-	785 990	785 990
Decrease/(Increase) in Other Non-Current Receivables	-	-	-	43 347	43 347
<b>Payments</b>					
Capital Assets	(45 663 870)	(193 804)	(45 857 674)	(40 908 511)	4 949 163
<b>Net Cash from/(used) Investing Activities</b>	<b>(45 663 870)</b>	<b>(193 804)</b>	<b>(45 857 674)</b>	<b>(40 079 174)</b>	<b>5 778 500</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Borrowing long term/refinancing	6 950 000	-	6 950 000	6 950 000	-
Increase/(Decrease) in Consumer Deposits	133 926	-	133 926	200 445	66 519
<b>Payments</b>					
Repayment of Borrowing	(4 126 585)	(992 928)	(5 119 513)	(5 119 513)	-
<b>Net Cash from/(used) Financing Activities</b>	<b>2 957 341</b>	<b>(992 928)</b>	<b>1 964 413</b>	<b>2 030 932</b>	<b>66 519</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(403 425)</b>	<b>(915 942)</b>	<b>(1 319 366)</b>	<b>(6 497 860)</b>	<b>(5 178 494)</b>
Cash and Cash Equivalents at the year begin	84 643 085	(6 707 121)	77 935 964	77 935 964	-
Cash and Cash Equivalents at the year end	84 239 660	(7 623 063)	76 616 598	71 438 105	(5 178 493)

Refer to note 44.4 for explanations of material variances.

Material variances are considered to be any variances greater than R3 million.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1 ACCOUNTING POLICIES

#### 1.01 BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

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 otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

#### 1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In term of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

#### 1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

#### 1.04 GOING CONCERN ASSUMPTION

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

#### 1.05 COMPARATIVE INFORMATION

##### 1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are 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, which relate to prior periods, 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.

##### 1.05.2 Amended Accounting Policies

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.

No significant amendments were made to the accounting policy in the current year.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.06 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. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

### 1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

### 1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

#### 1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved to early adopt the following Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
GRAP 20	Related Party Disclosures	1 April 2019
GRAP 108	Statutory Receivables	1 April 2019

The effect of the above-mentioned Standards of GRAP which were early adopted is considered insignificant. Accounting policies for these Standards of GRAP were already formulated in the prior year's financial statements. The only effect is additional disclosure requirements.

The Municipality resolved to early adopt the following amended Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
GRAP 1 (2018)	Presentation of Financial Statements	1 April 2020
GRAP 21 (2018)	Impairment of Non-cash-generating Assets	1 April 2020
GRAP 26 (2018)	Impairment of Cash-generating Assets	1 April 2020
GRAP 104 (2018)	Financial Instruments	1 April 2020

The effect of the above-mentioned amended Standards of GRAP which were early adopted is considered insignificant. The amendments to the Standards of GRAP mainly relate to the clarification of accounting principles.

The Municipality further resolved not to early adopt the following Standards of GRAP and Interpretations of the Standard of GRAP which were issued but are not yet effective:

#### 1.08.1.1 GRAP 18 - Segment Reporting (effective 1 April 2020)

The objective of this Standard is to establish principles for reporting financial information by segments.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will be not be significant.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.08.1.2 GRAP 32 - Service Concession Arrangements: Grantor (effective 1 April 2019)

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

The Municipality resolved to develop an accounting policy as set out in note 1.29.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

### 1.08.1.3 GRAP 34 - Separate Financial Statements (effective 1 April 2020)

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

No significant impact is expected as the Municipality has no investments in any entities.

### 1.08.1.4 GRAP 35 - Consolidated Financial Statements (effective 1 April 2020)

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

No significant impact is expected as the Municipality does not control any entities.

### 1.08.1.5 GRAP 36 - Investments in Associates and Joint Ventures (effective 1 April 2020)

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

No significant impact is expected as the Municipality does not have investments in any associates or joint ventures.

### 1.08.1.6 GRAP 37 - Joint Arrangements (effective 1 April 2020)

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

No significant impact is expected as the Municipality does not have an interest in any arrangements that are controlled jointly.

### 1.08.1.7 GRAP 38 - Disclosure of Interests in Other Entities (effective 1 April 2020)

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

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

No significant impact is expected as the Municipality does not have an interest in any entities, associates, joint ventures or joint arrangements.

### 1.08.1.8 GRAP 109 - Accounting by Principles and Agents (effective 1 April 2019)

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

No significant impact is expected as the Municipality's current treatment is already in line with the Standard's requirements.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.08.1.9 GRAP 110 - Living and Non-living Resources (effective 1 April 2020)

The objective of this Standard is to prescribe the:

- (a) recognition, measurement, presentation and disclosure requirements for living resources; and
- (b) disclosure requirements for non-living resources.

Preliminary investigations indicated that the Municipality's non-living resources do not fall within the scope of this Standard.

### 1.08.1.10 iGRAP 1 (Revised) - Applying The Probability Test On Initial Recognition Of Revenue (effective 1 April 2020)

This Interpretation addresses the manner in which an entity applies the probability test on initial recognition of:

- (a) exchange revenue in accordance with GRAP 9; and
- (b) non-exchange revenue in accordance with GRAP 23.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

### 1.08.1.11 IGRAP 17 - Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset (effective 1 April 2019)

This Interpretation of the Standards provides guidance to the grantor where it has entered into a service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

### 1.08.1.12 iGRAP 18 - Recognition and Derecognition of Land (effective 1 April 2019)

This Interpretation of the Standards of GRAP provides guidance on when an entity should recognise and derecognise land as an asset in its financial statements.

No significant impact is expected as the Municipality's current treatment is already in line with the Interpretation's requirements.

### 1.08.1.13 iGRAP 19 - Liabilities to Pay Levies (effective 1 April 2019)

This Interpretation provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

No significant impact is expected as the Municipality's current treatment is already in line with the Interpretation's requirements.

### 1.08.1.14 iGRAP 20 - Accounting for Adjustments to Revenue (effective 1 April 2020)

This Interpretation clarifies the accounting for adjustments to:

- (a) exchange and non-exchange revenue charged in terms of legislation or similar means; and
- (b) interest and penalties that arise from revenue already recognised.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

## 1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

All Standards of GRAP currently issued, have effective dates.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.09 RESERVES

#### 1.09.1 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 to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- (a) The cash funds that back up the CRR are invested until utilised.
- (b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- (c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

#### 1.09.2 Housing Development Fund (HDF)

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress, as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the HDF:

- (a) The HDF is fully cash-backed.
- (b) The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy and also for housing development projects approved by the MEC for Human Settlements.
- (c) Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.

### 1.10 INVESTMENT PROPERTY

#### 1.10.1 Initial Recognition

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, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property 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.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.10.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

### 1.10.3 Depreciation – Cost Model

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 the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS
Land	N/A
Buildings	30

### 1.10.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in 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 an impairment is recognised in the Statement of Financial Performance.

### 1.10.5 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

## 1.11 PROPERTY, PLANT AND EQUIPMENT

### 1.11.1 Initial Recognition

Property, plant and equipment are tangible non-current 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.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. 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.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any 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.

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 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.

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.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

### 1.11.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated 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 or service potential associated with the asset.

### 1.11.3 Depreciation

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 the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
<b>Land and Buildings</b>		<b>Leased Assets</b>	
Land	N/A	Furniture and Office Equipment	2 - 5
Buildings	5 - 100		
Work in progress	N/A	<b>Community Assets</b>	
		Community Facilities	5 - 50
<b>Infrastructure</b>		Sport and Recreational Facilities	5 - 50
Electrical	5 - 50	Work in progress	N/A
Roads	5 - 50		
Sanitation	5 - 100	<b>Other Assets</b>	
Solid Waste	3 - 50	Computer Equipment	3 - 15
Storm Water	5 - 50	Furniture and Office Equipment	5 - 30
Water Supply	3 - 100	Machinery and Equipment	2 - 30
Work in progress	N/A	Transport Assets	2 - 30

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.11.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in 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 an impairment is recognised in the Statement of Financial Performance.

### 1.11.5 Derecognition

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.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

## 1.12 INTANGIBLE ASSETS

### 1.12.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset 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.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset 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.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any 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.

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 is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

### 1.12.2 Subsequent Measurement - Cost Model

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

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.12.3 Amortisation

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 still subject to an annual impairment test.

Amortisation of an intangible with a finite life 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 the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, 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:

	Years
Computer Software	5 - 15

### 1.12.4 Impairment

Intangible assets 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 recognised in 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 an impairment is recognised in the Statement of Financial Performance.

### 1.12.5 Derecognition

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.

## 1.13 HERITAGE ASSETS

### 1.13.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date. The cost of heritage assets 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.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any 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.

Where a heritage 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 is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.13.2 Subsequent Measurement – Cost Model

Heritage assets are carried at its cost less any accumulated impairment losses.

### 1.13.3 Depreciation

Heritage assets are not depreciated.

### 1.13.4 Impairment

Heritage assets 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 recognised in 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 an impairment is recognised in the Statement of Financial Performance.

### 1.13.5 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset.

The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

Compensation from third parties for heritage assets that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

## 1.14 IMPAIRMENT OF NON-MONETARY ASSETS

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

Cash-generating assets are assets used with the objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

### 1.14.1 Recoverable amount of Cash-generating assets

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

The best evidence of 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.

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

### 1.14.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. 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.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.14.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

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

### 1.14.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

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

## 1.15 INVENTORIES

### 1.15.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

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. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs in bringing the inventories to their current location and condition.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.15.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories 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.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

### 1.16 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality 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 recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

#### 1.16.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

##### 1.16.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National- and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

##### 1.16.1.2 Post Retirement Medical Benefits

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% is 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. The plan is unfunded.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is 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 present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

### **1.16.2 Long-term Benefits**

#### **1.16.2.1 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 annually 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 recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

### **1.16.3 Short-term Benefits**

#### **1.16.3.1 Staff Leave**

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 reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

#### **1.16.3.2 Bonuses**

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

### **1.17 PROVISIONS**

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential 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 of future outflows of resources. 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.

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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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.

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 is derecognised.

### 1.18 LEASES

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

#### 1.18.1 Municipality as Lessee

##### 1.18.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

##### 1.18.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

#### 1.18.2 Municipality as Lessor

##### 1.18.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (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 asset (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 in the Statement of Financial Performance.

##### 1.18.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.19 FINANCIAL INSTRUMENTS

#### 1.19.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised 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. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

#### 1.19.2 Subsequent Measurement

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
  - (i) derivatives;
  - (ii) combined instruments that are designated at fair value;
  - (iii) instruments held for trading;
  - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
  - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

#### 1.19.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

##### 1.19.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

##### 1.19.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.19.4 Derecognition of financial instruments

#### 1.19.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### 1.19.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

### 1.19.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position 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.

### 1.20 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

#### 1.20.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

#### 1.20.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

#### 1.20.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.20.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

### 1.21 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

### 1.22 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

### 1.23 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 in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

### 1.24 PAYABLES AND ANNUITY LOANS

Payables and annuity loans 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.

### 1.25 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.26 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

### 1.27 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

#### 1.27.1 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.

##### 1.27.1.1 Taxation Revenue

Taxation revenue comprises of property rates. 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 proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

##### 1.27.1.2 Transfer 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 recognised 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, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

##### 1.27.1.3 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue. Any fine reductions or cancellations subsequent to the reported date is recorded as a write-off against the provision raised for debt impairment.

##### 1.27.1.4 Insurance Refund

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.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.27.1.5 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by law.

### 1.27.1.6 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

### 1.27.1.7 Services in-kind

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

### 1.27.1.8 Contributed Assets

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

## 1.27.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

### 1.27.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being 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. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

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 number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

### 1.27.2.2 Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.27.2.3 *Rental income*

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

### 1.27.2.4 *Income from Agency Services*

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

### 1.27.2.5 *Other Tariffs*

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.

### 1.27.2.6 *Sale of goods*

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 1.27.2.7 *Deferred payment*

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 difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

## 1.28 **BORROWING COSTS**

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.29 SERVICE-CONCESSION ARRANGEMENT

The Municipality has used the principles of GRAP 32 – Service concession arrangements: Grantor to formulate its accounting policy.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which:

- (a) the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time; and
- (b) the operator is compensated for its services over the period of the service concession arrangement.

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

- (a) is provided by the operator which:
  - (i) the operator constructs, develops, or acquires from a third party; or
  - (ii) is an existing asset of the operator; or
- (b) is provided by the grantor which:
  - (i) is an existing asset of the grantor; or
  - (ii) is an upgrade to an existing asset of the grantor.

An operator is the entity that uses the service concession asset to provide a mandated function subject to the grantor's control of the asset. West Coast District Municipality (WCDM) acts as the operator in the service-concession arrangement.

A grantor is the entity that grants the right to use the service concession asset to the operator. The Municipality acts at the grantor in the service-concession arrangement with the WCDM.

When the Municipality enters into the service-concession arrangement, it determines whether it is party to the arrangement and assesses whether it is the grantor or the operator in accounting for revenue, expenses, assets and/or liabilities that results from the arrangement.

The Municipality recognises assets and liabilities arising from service concession arrangement in accordance with the requirements of the Standards of GRAP.

### 1.29 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 (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.30 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 is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.31 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 (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.32 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 Municipality. 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.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

### 1.33 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

### 1.34 EVENTS AFTER REPORTING DATE

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

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

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

### 1.35 RELATED PARTIES

The Municipality regards a related party as a person or an entity with the ability to control the Municipality either individually or jointly, or the ability to exercise significant influence over the Municipality, or vice versa.

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Mayor, Speaker, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.36 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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:

#### 1.36.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

#### 1.36.2 Impairment of Receivables

The calculation in respect of the impairment of receivables 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.

#### 1.36.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

#### 1.36.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

#### 1.36.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards 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.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 1.36.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

### 1.36.7 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

### 1.36.8 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 2 CASH AND CASH EQUIVALENTS

Bank Accounts	64 569 543	71 494 389
Call Investment Deposits	6 852 211	6 425 225
Cash Floats	16 350	16 350
<b>Total</b>	<b>71 438 105</b>	<b>77 935 964</b>

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following commitments:

Unspent Conditional Grants	653 962	199 470
Unspent Borrowings	612 304	1 604 146
Capital Replacement Reserve	30 848 500	24 891 500
Cash portion of Housing Development Fund	260 572	303 919
Taxes	-	340 103
Working Capital Requirements	39 062 766	50 596 826
<b>Total Cash and Cash Equivalents</b>	<b>71 438 105</b>	<b>77 935 964</b>

#### Bank Accounts

ABSA Bank Limited - Account number 11-8056-0153 (Primary Bank Account)	9 981 571	71 478 830
ABSA Bank Limited - Account number 91-2510-9603 (Traffic Account)	70 843	15 559
Nedbank Limited - Account number 11-6976-1380 (Primary Bank Account)	54 340 183	-
Nedbank Limited - Account number 11-6976-1402 (Traffic Account)	176 946	-
<b>Total</b>	<b>64 569 543</b>	<b>71 494 389</b>

Bank accounts consists out of the following accounts:

#### **ABSA Bank Limited - Account number 11-8056-0153 (Primary Bank Account)**

Cash book balance at beginning of year	71 478 830	76 036 250
Cash book balance at end of year	9 981 571	71 478 830
Bank statement balance at beginning of year	70 986 808	74 863 003
Bank statement balance at end of year	9 981 571	70 986 808

#### **ABSA Bank Limited - Account number 91-2510-9603 (Traffic Account)**

Cash book balance at beginning of year	15 559	14 749
Cash book balance at end of year	70 843	15 559
Bank statement balance at beginning of year	15 559	14 749
Bank statement balance at end of year	70 843	15 559

#### **Nedbank Limited - Account number 11-6976-1380 (Primary Bank Account)**

Cash book balance at beginning of year	-	-
Cash book balance at end of year	54 340 183	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	53 875 457	-

#### **Nedbank Limited - Account number 11-6976-1402 (Traffic Account)**

Cash book balance at beginning of year	-	-
Cash book balance at end of year	176 946	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	176 946	-

#### Call Investment Deposits

Call investment deposits consist out of the following accounts:

ABSA - Cash Account - Account Number 92-9651-1113	6 852 212	6 425 225
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# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

#### Service Receivables

Electricity	22 273 385	17 578 185
Water	14 391 057	11 860 258
Refuse	20 531 069	18 600 989
Sewerage	13 237 912	12 036 394
Other	17 011 133	10 983 841
<b>Total Gross Balance</b>	<b>87 444 556</b>	<b>71 059 667</b>
Less: Allowance for Debt Impairment	(34 076 884)	(30 668 950)
<b>Total Net Receivable</b>	<b>53 367 672</b>	<b>40 390 717</b>
As previously reported		52 726 630
Correction of error restatement - note 41.1		(12 335 913)
Restated balance		40 390 717

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. Interest of prime +1% is levied on late payments.

Other Service Receivables mainly includes the interest component levied on outstanding debtors accounts.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	30 668 950	23 041 599
Movement in the contribution to the provision	8 009 124	8 514 160
Bad Debts Written off	(4 601 190)	(886 810)
Balance at the end of the year	<b>34 076 884</b>	<b>30 668 950</b>

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2019</b>			
<b>Service Receivables</b>			
Electricity	22 273 385	(2 428 683)	19 844 703
Water	14 391 057	(7 123 723)	7 267 335
Refuse	20 531 069	(10 343 432)	10 187 637
Sewerage	13 237 912	(6 235 594)	7 002 318
Other	17 011 133	(7 945 453)	9 065 680
<b>Total</b>	<b>87 444 556</b>	<b>(34 076 884)</b>	<b>53 367 672</b>
<b>30 June 2018</b>			
<b>Service Receivables</b>			
Electricity	17 578 185	(2 142 228)	15 435 956
Water	11 860 258	(6 438 157)	5 422 101
Refuse	18 600 989	(10 092 172)	8 508 818
Sewerage	12 036 394	(6 203 324)	5 833 070
Other	10 983 841	(5 793 069)	5 190 772
<b>Total</b>	<b>71 059 667</b>	<b>(30 668 950)</b>	<b>40 390 717</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

#### Ageing of Receivables from Exchange Transactions

##### Electricity

Current (0 - 30 days)	12 636 560	9 077 005
Past Due (31 - 60 Days)	1 337 880	860 987
Past Due (61 - 90 Days)	560 037	559 479
Past Due (90 Days +)	7 738 908	7 080 713
<b>Total</b>	<b>22 273 385</b>	<b>17 578 185</b>

##### Water

Current (0 - 30 days)	2 489 571	2 051 082
Past Due (31 - 60 Days)	1 320 934	782 030
Past Due (61 - 90 Days)	660 841	548 197
Past Due (90 Days +)	9 919 712	8 478 950
<b>Total</b>	<b>14 391 057</b>	<b>11 860 258</b>

##### Refuse

Current (0 - 30 days)	1 939 048	1 810 777
Past Due (31 - 60 Days)	1 093 694	963 807
Past Due (61 - 90 Days)	719 848	710 258
Past Due (90 Days +)	16 778 478	15 116 147
<b>Total</b>	<b>20 531 069</b>	<b>18 600 989</b>

##### Sewerage

Current (0 - 30 days)	1 163 105	1 114 878
Past Due (31 - 60 Days)	691 657	621 751
Past Due (61 - 90 Days)	465 895	479 366
Past Due (90 Days +)	10 917 255	9 820 399
<b>Total</b>	<b>13 237 912</b>	<b>12 036 394</b>

##### Other

Current (0 - 30 days)	1 980 314	1 139 887
Past Due (31 - 60 Days)	848 721	528 960
Past Due (61 - 90 Days)	835 279	505 170
Past Due (90 Days +)	13 346 819	8 809 824
<b>Total</b>	<b>17 011 133</b>	<b>10 983 841</b>

#### Summary Ageing of all Receivables from Exchange Transactions

Current (0 - 30 days)	20 208 598	15 193 628
Past Due (31 - 60 Days)	5 292 886	3 757 535
Past Due (61 - 90 Days)	3 241 900	2 802 471
Past Due (90 Days +)	58 701 173	49 306 033
<b>Total</b>	<b>87 444 556</b>	<b>71 059 667</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

#### Service Receivables

Property Rates

34 123 154

32 233 302

#### Other Receivables

16 798 856

23 760 793

Unpaid Traffic Fines

12 296 910

19 169 810

Suspense Debtors

3 836 817

2 832 664

Unpaid Grants

140 694

113 815

Department of Human Settlements

-

1 436 010

Witewater Infrastructure Project

271 458

208 494

Goedverwacht Infrastructure Project

252 977

-

#### Total Gross Balance

50 922 009

55 994 095

Less: Allowance for Debt Impairment

(23 292 178)

(28 682 795)

#### Total Net Receivable

27 629 831

27 311 301

As previously reported

34 372 736

Correction of error restatement - note 41.1

(7 061 435)

Restated balance

27 311 301

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. 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. Interest of prime +1% is levied on late payments.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year

28 682 795

21 066 467

Movement in the contribution to the provision

8 569 155

7 882 725

Bad Debts Written off

(13 959 772)

(266 397)

Balance at the end of the year

23 292 178

28 682 795

The Allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2019</b>			
<b>Service Receivables</b>			
Property Rates	34 123 154	(11 961 369)	22 161 785
<b>Other Receivables</b>			
Unpaid Traffic Fines	12 296 910	(11 330 810)	966 100
Suspense Debtors	3 836 817	-	3 836 817
Unpaid Grants	140 694	-	140 694
Witewater Infrastructure Project	271 458	-	271 458
Goedverwacht Infrastructure Project	252 977	-	252 977
<b>Total</b>	<b>50 922 009</b>	<b>(23 292 178)</b>	<b>27 629 831</b>
<b>30 June 2018</b>			
<b>Service Receivables</b>			
Property Rates	32 233 302	(10 282 616)	21 950 686
<b>Other Receivables</b>			
Unpaid Traffic Fines	19 169 810	(18 400 179)	769 631
Suspense Debtors	2 832 664	-	2 832 664
Unpaid Grants	113 815	-	113 815
Department of Human Settlements	1 436 010	-	1 436 010
Witewater Infrastructure Project	208 494	-	208 494
<b>Total</b>	<b>55 994 095</b>	<b>(28 682 795)</b>	<b>27 311 301</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

#### Ageing of Receivables from Non-Exchange Transactions

##### Property Rates

Current (0 - 30 days)	4 899 178	4 195 876
Past Due (31 - 60 Days)	1 804 835	1 470 258
Past Due (61 - 90 Days)	955 491	861 909
Past Due (90 Days +)	26 463 650	25 705 259
<b>Total</b>	<b>34 123 154</b>	<b>32 233 302</b>

### 5 TAXES

VAT Receivable/(Payable)	2 483 307	1 958 124
VAT Input in Suspense	842 118	(1 301 998)
VAT Output in Suspense - net	(1 486 306)	(996 229)
VAT Output in Suspense	(5 028 828)	(4 083 034)
Less: VAT on Allowance for Debt Impairment	3 542 521	3 086 805

**Total** **1 839 119** **(340 103)**

As previously reported		(3 051 217)
Correction of error restatement - note 41.1		1 838 311
Correction of error restatement - note 41.2		872 803
Restated balance		(340 103)

#### Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	3 086 805	2 002 914
Debt Impairment for current year	455 716	1 083 891
Balance at the end of the year	<b>3 542 521</b>	<b>3 086 805</b>

### 6 OPERATING LEASES

#### 6.1 OPERATING LEASE ASSET

**Operating Lease Asset** **23 146** **39 955**

The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

#### Reconciliation of Operating Lease Asset

Balance at the beginning of the year	39 955	62 129
Movement during the year	(16 809)	(22 174)
Balance at the end of the year	<b>23 146</b>	<b>39 955</b>

#### The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	80 180	704 719
Between 1 and 5 Years	103 127	172 932
After 5 Years	-	10 375
Total operating lease payments	<b>183 307</b>	<b>888 027</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. Escalation between 7% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 6 OPERATING LEASES (CONTINUED)

#### 6.2 OPERATING LEASE LIABILITY

##### Operating Lease Liability

10 790

-

The operating lease liability is derived from contracts where the Municipality acts as the lessee in the agreement.

##### Reconciliation of Operating Lease Liability

Balance at the beginning of the year

-

-

Movement during the year

10 790

-

Balance at the end of the year

10 790

-

##### The Municipality will incur the following lease expenditure from contracts that have defined lease payments and terms.

Within 1 Year

178 947

-

Between 1 and 5 Years

224 807

-

After 5 Years

-

-

Total operating lease payments

403 754

-

Operating leases consist out of the following leases:

- Lease of office space for a period of 36 months (ending August 2021) with an escalation of 7.5% per annum.

The Municipality does not engage in any sub-lease arrangements.

The Municipality did not pay any contingent rent during the year.

### 7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements

406 692

1 353 419

Individual Housing Loans

211 792

255 139

##### Sub-Total

618 484

1 608 558

Less: Current portion of Long-term Receivables

172 706

1 303 917

Receivables with repayment arrangements

172 706

1 146 917

Individual Housing Loans

-

157 000

##### Total

445 778

304 641

##### Receivables with repayment arrangements

Debtors amounting to R406 692 (2018 - R1 353 419) have arranged to settle their account over an re-negotiated period. Total payments to the value of R233 986 (2018 - R206 502) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

##### Individual Housing Loans

The loans were granted to facilitate housing schemes in the municipal area.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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	2019	2018
<b>8 INVENTORY</b>		
Fuel	218 180	482 687
Water	149 716	129 006
Spare Parts	1 879 084	2 406 756
Unsold Properties held for resale	83 254	83 254
<b>Total</b>	<b>2 330 233</b>	<b>3 101 703</b>
Inventory are disclosed at the lower of cost or net realisable value.		
The Municipality recognised only purification costs in respect of non-purchased purified water inventory.		
No inventory were pledged as security for liabilities.		
Inventory written down due to losses identified during the annual stores counts	86 484	16 297
Inventory recognised as an expense during the year		
Fuel	4 163 097	3 471 657
Water	9 498 393	8 472 556
Spare parts	3 974 359	3 611 938
<b>Total</b>	<b>17 635 849</b>	<b>15 556 152</b>
<b>9 INVESTMENT PROPERTY</b>		
Investment Property - Carrying Value	<b>16 231 461</b>	<b>15 546 452</b>
As previously reported		12 929 873
Correction of error - note 41.3		2 616 579
Restated balance		15 546 452
<b>The carrying value of Investment Property is reconciled as follows:</b>		
<b>Opening Carrying Value</b>	<b>15 546 452</b>	<b>15 657 836</b>
Cost	15 576 884	15 686 884
Accumulated Depreciation	(30 432)	(29 048)
Accumulated Impairment	-	-
Additions	35 652	-
Contributed Assets	700 000	-
Disposals	(50 000)	(110 000)
Depreciation	(643)	(1 384)
<b>Closing Carrying Value</b>	<b>16 231 461</b>	<b>15 546 452</b>
Cost	16 262 536	15 576 884
Accumulated Depreciation	(31 075)	(30 432)
Accumulated Impairment	-	-
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	576 939	582 000
No operating expenditure was incurred on investment property during the 2018/19 and 2017/18 financial year.		

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 10 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
<b>30 June 2019</b>				
Land and Buildings	71 338 611	(10 302 729)	-	61 035 882
Infrastructure	331 762 144	(100 029 999)	-	231 732 145
Community Assets	59 007 447	(20 870 706)	-	38 136 741
Other Assets	54 465 723	(32 668 792)	-	21 796 931
Capitalised Restoration Cost	34 161 333	(17 391 499)	-	16 769 834
<b>Total</b>	<b>550 735 258</b>	<b>(181 263 725)</b>	<b>-</b>	<b>369 471 533</b>
<b>30 June 2018</b>				
Land and Buildings	69 683 692	(9 319 552)	-	60 364 140
Infrastructure	306 130 753	(90 035 033)	-	216 095 721
Leased Assets	-	-	-	-
Community Assets	52 533 925	(19 084 376)	-	33 449 549
Other Assets	50 255 835	(30 536 691)	-	19 719 144
Capitalised Restoration Cost	31 953 437	(14 769 942)	-	17 183 495
<b>Total</b>	<b>510 557 641</b>	<b>(163 745 592)</b>	<b>-</b>	<b>346 812 049</b>
As previously reported				331 047 937
Correction of error restatement - note 41.4				15 764 112
Restated balance				346 812 049
Repairs and Maintenance incurred on Property, Plant and Equipment			8 483 267	7 502 527

It should be noted that the prior year balance of Repairs and maintenance has been restated.

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

In 2006 the Municipality entered into a service concession arrangement with the WCDM for an initial period on 10 years wherein the WCDM operates the Municipality's assets to provide bulk water to the Municipality to distribute to its consumers.

The agreement was subsequently extended three times until 30 June 2019. The other parties to this arrangement are Saldanha and Swartland municipalities which also appointed the WCDM as an operator.

The WCDM uses the bulk water services assets to provide water to the local municipalities and private users. In terms of the service level agreement the local municipalities determine a tariff, in consultation with the WCDM, that allows the WCDM to recover the costs the WCDM incurs in the provision of the bulk water services. The local municipalities also pay the WCDM an administrative fee of 10% of the operational costs which is also included in the tariff above.

The local municipalities recognise the costs recovered by the WCDM through the tariff as expenditure in their respective financial statements by its nature, as bulk purchases for water. The local municipalities also recognise all revenue earned from providing water to consumers, through monthly billing of the consumers, within their respective areas of jurisdiction.

The WCDM also provides water services to third parties and bills the third parties directly (farmers in remote areas and some big businesses). The provision of the water to these third parties is approved by the local municipalities when the tariff for the year is approved. The water provided to third parties by the WCDM is thus recognised in their books in line with GRAP 32.

Assets subject to service concession arrangement (Net carrying amount)	1 838 221	1 917 370
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# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Transfer of Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
30 June 2019	R	R	R	R	R	R	R	R	R	R	R	
<b>Land and Buildings</b>	<b>69 683 692</b>	<b>1 654 919</b>	-	-	-	<b>71 338 611</b>	<b>9 319 552</b>	<b>983 177</b>	-	-	<b>10 302 729</b>	<b>61 035 882</b>
Land	36 385 277	-	-	-	-	36 385 277	-	-	-	-	-	36 385 277
Buildings	32 049 883	45 764	-	-	1 303 172	33 398 820	9 319 552	983 177	-	-	10 302 729	23 096 091
Work in Progress	1 248 531	1 609 155	-	-	(1 303 172)	1 554 514	-	-	-	-	-	1 554 514
<b>Infrastructure</b>	<b>306 130 753</b>	<b>25 465 527</b>	<b>(87 913)</b>	-	<b>253 777</b>	<b>331 762 144</b>	<b>90 035 033</b>	<b>10 041 755</b>	-	<b>(46 789)</b>	<b>100 029 999</b>	<b>231 732 145</b>
Electrical	46 785 706	-	(8 956)	-	1 524 867	48 301 617	13 883 264	1 508 360	-	(1 025)	15 390 598	32 911 019
Roads	58 045 679	-	(78 957)	-	3 365 879	61 332 600	22 290 424	1 805 944	-	(45 764)	24 050 604	37 281 996
Sanitation	76 947 161	-	-	-	742 541	77 689 702	19 614 685	2 730 684	-	-	22 345 369	55 344 333
Solid Waste	9 742 088	-	-	-	-	9 742 088	5 554 509	454 074	-	-	6 008 583	3 733 505
Storm Water	13 137 846	-	-	-	609 181	13 747 027	5 405 474	307 673	-	-	5 713 148	8 033 879
Water Supply	80 678 674	-	-	-	1 052 635	81 731 309	23 286 677	3 235 019	-	-	26 521 697	55 209 612
Work in progress	20 793 601	25 465 527	-	-	(7 041 327)	39 217 801	-	-	-	-	-	39 217 801
<b>Leased Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>52 533 925</b>	<b>6 727 300</b>	-	-	<b>(253 777)</b>	<b>59 007 447</b>	<b>19 084 376</b>	<b>1 786 330</b>	-	-	<b>20 870 706</b>	<b>38 136 741</b>
Community Facilities	19 304 859	83 604	-	-	-	19 388 463	7 768 176	706 801	-	-	8 474 977	10 913 486
Sport and Recreational Facilities	33 229 065	845 799	-	-	5 504 120	39 578 984	11 316 200	1 079 529	-	-	12 395 729	27 183 255
Work in progress	-	5 797 897	-	-	(5 757 897)	40 000	-	-	-	-	-	40 000
<b>Other Assets</b>	<b>50 255 835</b>	<b>6 479 267</b>	<b>(2 269 379)</b>	-	-	<b>54 465 723</b>	<b>30 536 691</b>	<b>4 212 479</b>	-	<b>(2 080 378)</b>	<b>32 668 792</b>	<b>21 796 931</b>
Computer Equipment	3 819 947	969 406	(271 623)	-	-	4 517 730	2 401 296	537 115	-	(250 658)	2 687 754	1 829 977
Furniture and Office Equipment	10 363 117	1 189 566	(660 324)	-	-	10 892 359	6 211 525	1 133 003	-	(588 919)	6 755 608	4 136 751
Machinery and Equipment	17 996 613	329 000	(711 244)	-	-	17 614 369	10 541 428	1 417 865	-	(675 798)	11 283 495	6 330 874
Transport Assets	18 076 158	3 991 295	(626 188)	-	-	21 441 265	11 382 442	1 124 496	-	(565 002)	11 941 936	9 499 329
<b>Capitalised Restoration Costs</b>	<b>31 953 437</b>	<b>2 302 341</b>	<b>(94 445)</b>	-	-	<b>34 161 333</b>	<b>14 769 942</b>	<b>2 621 558</b>	-	-	<b>17 391 499</b>	<b>16 769 834</b>
Landfill Site Rehabilitation	31 953 437	2 302 341	(94 445)	-	-	34 161 333	14 769 942	2 621 558	-	-	17 391 499	16 769 834
	<b>510 557 641</b>	<b>42 629 354</b>	<b>(2 451 737)</b>	-	-	<b>550 735 258</b>	<b>163 745 592</b>	<b>19 645 299</b>	-	<b>(2 127 167)</b>	<b>181 263 725</b>	<b>369 471 533</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

### 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Transfer of Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
30 June 2018	R	R	R	R	R	R	R	R	R	R	R	R
<b>Land and Buildings</b>	<b>68 633 818</b>	<b>1 049 874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69 683 692</b>	<b>8 415 484</b>	<b>904 068</b>	<b>-</b>	<b>-</b>	<b>9 319 552</b>	<b>60 364 140</b>
Land	36 385 277	-	-	-	-	36 385 277	-	-	-	-	-	36 385 277
Buildings	29 737 089	1 049 874	-	-	1 262 921	32 049 883	8 415 484	904 068	-	-	9 319 552	22 730 332
Work in progress	2 511 453	-	-	-	(1 262 921)	1 248 531	-	-	-	-	-	1 248 531
<b>Infrastructure</b>	<b>283 695 318</b>	<b>22 442 436</b>	<b>(7 000)</b>	<b>-</b>	<b>-</b>	<b>306 130 753</b>	<b>79 820 963</b>	<b>10 220 621</b>	<b>-</b>	<b>(6 551)</b>	<b>90 035 033</b>	<b>216 095 721</b>
Electrical	46 737 513	-	-	-	48 193	46 785 706	12 272 137	1 611 127	-	-	13 883 264	32 902 442
Roads	54 265 470	-	-	-	3 780 209	58 045 679	20 542 110	1 748 314	-	-	22 290 424	35 755 254
Sanitation	76 511 204	-	-	-	435 957	76 947 161	16 848 576	2 766 109	-	-	19 614 685	57 332 476
Solid Waste	9 323 583	-	-	-	418 505	9 742 088	5 126 610	427 899	-	-	5 554 509	4 187 579
Storm Water	13 137 846	-	-	-	-	13 137 846	5 077 736	327 738	-	-	5 405 474	7 732 372
Water Supply	80 305 098	10 874	(7 000)	-	369 702	80 678 674	19 953 794	3 339 434	-	(6 551)	23 286 677	57 391 997
Work in progress	3 414 604	22 431 562	-	-	(5 052 565)	20 793 601	-	-	-	-	-	20 793 601
<b>Leased Assets</b>	<b>14 810</b>	<b>-</b>	<b>(14 810)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 235</b>	<b>2 576</b>	<b>-</b>	<b>(14 811)</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment	14 810	-	(14 810)	-	-	-	12 235	2 576	-	(14 811)	-	-
<b>Community Assets</b>	<b>51 779 876</b>	<b>754 049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52 533 925</b>	<b>17 326 097</b>	<b>1 758 279</b>	<b>-</b>	<b>-</b>	<b>19 084 376</b>	<b>33 449 549</b>
Community Facilities	18 550 810	754 049	-	-	-	19 304 859	7 073 470	694 706	-	-	7 768 176	11 536 683
Sport and Recreational Facilities	28 258 105	-	-	-	4 970 961	33 229 065	10 252 627	1 063 573	-	-	11 316 200	21 912 865
Work in progress	4 970 961	-	-	-	(4 970 961)	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>48 212 500</b>	<b>3 775 545</b>	<b>(3 625 792)</b>	<b>1 893 582</b>	<b>-</b>	<b>50 255 835</b>	<b>29 750 521</b>	<b>4 298 687</b>	<b>-</b>	<b>(3 512 517)</b>	<b>30 536 691</b>	<b>19 719 144</b>
Computer Equipment	3 740 049	281 423	(340 457)	138 932	-	3 819 947	2 221 914	507 233	-	(327 850)	2 401 296	1 418 650
Furniture and Office Equipment	11 233 687	667 467	(1 538 037)	-	-	10 363 117	6 502 906	1 192 915	-	(1 484 296)	6 211 525	4 151 592
Machinery and Equipment	18 215 716	597 967	(817 070)	-	-	17 996 613	9 782 195	1 546 889	-	(787 656)	10 541 428	7 455 185
Transport Assets	15 023 048	2 228 687	(930 227)	1 754 650	-	18 076 158	11 243 506	1 051 651	-	(912 715)	11 382 442	6 693 716
<b>Capitalised Restoration Costs</b>	<b>30 742 090</b>	<b>1 211 347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 953 437</b>	<b>12 332 496</b>	<b>2 437 446</b>	<b>-</b>	<b>-</b>	<b>14 769 942</b>	<b>17 183 495</b>
Landfill Site Rehabilitation	30 742 090	1 211 347	-	-	-	31 953 437	12 332 496	2 437 446	-	-	14 769 942	17 183 495
	<b>483 078 411</b>	<b>29 233 250</b>	<b>(3 647 602)</b>	<b>1 893 582</b>	<b>-</b>	<b>510 557 641</b>	<b>147 657 795</b>	<b>19 621 677</b>	<b>-</b>	<b>(3 533 879)</b>	<b>163 745 592</b>	<b>346 812 049</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

	2019	2018
<b>11 INTANGIBLE ASSETS</b>		
Intangible Assets - Carrying Value	<b>3 849 127</b>	<b>3 828 322</b>
As previously reported		4 292 597
Correction of error restatement - note 41.5		(464 275)
Restated balance		<b>3 828 322</b>
The carrying value of intangible Assets is reconciled as follows:		
<b>Opening Carrying Value</b>	<b>3 828 322</b>	<b>3 184 291</b>
Cost	4 772 207	3 720 932
Work in Progress	1 358 819	1 242 532
Accumulated Depreciation	(2 302 703)	(1 779 173)
Accumulated Impairment	-	-
Additions	545 846	1 051 275
Work in progress additions	-	116 288
Amortisation	(525 042)	(523 531)
Disposal	-	-
Cost	-	-
Accumulated Depreciation	-	-
<b>Closing Carrying Value</b>	<b>3 849 126</b>	<b>3 828 322</b>
Cost	5 318 052	4 772 207
Work in Progress	1 358 819	1 358 819
Accumulated Depreciation	(2 827 745)	(2 302 703)
Accumulated Impairment	-	-

Work in progress is included in the carrying value of Intangible Assets. No amortisation is recognised against these amounts. The work in progress balance relates to a GIS System in process of being implemented at the Municipality at year-end. Once fully implemented, the assets is considered ready for use in line with management's expectations.

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

<b>12 HERITAGE ASSETS</b>		
Heritage Assets - Carrying Value	<b>454 012</b>	<b>454 012</b>
The carrying value of Heritage Assets are reconciled as follows:		
<b>Opening Carrying Value</b>	<b>454 012</b>	<b>454 012</b>
Cost	454 012	454 012
Accumulated Impairment	-	-
Movement	-	-
<b>Closing Carrying Value</b>	<b>454 012</b>	<b>454 012</b>
Cost	454 012	454 012
Accumulated Impairment	-	-

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

There are no contractual commitments for the acquisition, maintenance or restoration of heritage assets.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

	2019	2018
<b>13 LONG-TERM LIABILITIES</b>		
Annuity Loans	58 193 471	56 362 960
Less: Current portion	(5 145 106)	(5 119 513)
<b>Total</b>	<b>53 048 364</b>	<b>51 243 447</b>

Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up	58 193 471	56 362 960
Used to finance Property, Plant and Equipment at cost	(57 581 166)	(54 758 814)
<b>Unspent Borrowings</b>	<b>612 304</b>	<b>1 604 146</b>

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

### 13 LONG-TERM LIABILITIES (CONTINUED)

#### Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
DBSA (61003131)	16.50%	2020/12/31	220 829	341 408
Nedbank (05/7831032282)	11.27%	2023/06/12	2 072 594	2 467 734
DBSA (61000757)	9.86%	2018/12/31	-	491 801
DBSA (61001029)	12.41%	2030/06/30	14 076 957	14 656 134
DBSA (61006811)	11.53%	2031/06/30	3 343 483	3 468 515
DBSA (61006837)	11.59%	2036/06/30	8 164 013	8 314 648
DBSA (61006975)	11.33%	2032/06/30	3 432 750	3 546 400
Standard Bank (252933753)	11.95%	2024/06/30	4 371 493	4 982 529
Standard Bank (252933737)	11.25%	2019/06/30	-	492 412
Standard Bank (410683566)	10.26%	2023/06/30	5 087 018	6 080 000
ABSA (3044794458)	9.99%	2021/06/30	197 809	282 973
ABSA (3044701437)	10.57%	2026/06/12	4 548 430	4 966 100
ABSA (3046456438)	10.12%	2027/06/30	5 214 478	5 618 154
ABSA (3046456399)	9.77%	2022/06/30	513 617	654 152
DBSA (61007572)	9.28%	2029/06/29	5 850 000	-
DBSA (61007573)	8.90%	2024/06/30	1 100 000	-
<b>Total</b>			<b>58 193 471</b>	<b>56 362 960</b>

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	11 673 958	11 514 728
Payable within two to five years	43 024 667	40 987 162
Payable after five years	44 911 852	47 980 158
<b>Total amount payable</b>	<b>99 610 477</b>	<b>100 482 048</b>
Less: Outstanding Future Finance Charges	(41 417 006)	(44 119 088)
<b>Present value of annuity loans</b>	<b>58 193 471</b>	<b>56 362 960</b>

### 14 CONSUMER DEPOSITS

Water and Electricity Deposits	<b>3 664 884</b>	<b>3 464 470</b>
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The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

	2019	2018
<b>15 PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade Payables	4 167 921	9 517 526
Retentions	700 779	494 203
Payments Received in Advance	3 941 664	3 654 676
Unused Pre-paid Electricity	678 152	599 704
Sundry Creditors	963 684	962 307
Sundry Deposits	1 002 860	1 500 857
Accrued Interest	3 511	-
Unknown Receipts	3 149 636	3 963 609
Goedverwacht Infrastructure Project	-	852 929
Department of Human Settlements	1 432 415	-
<b>Total</b>	<b>16 040 621</b>	<b>21 545 811</b>
As previously reported		21 997 944
Correction of error restatement - note 41.6		(452 133)
Restated balance		21 545 811
Payables are being recognised net of any discounts received.		
The 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.		
<b>16 UNSPENT CONDITIONAL GOVERNMENT GRANTS</b>		
National Government	-	-
Provincial Government	653 962	93 947
Other Grant Providers	-	105 523
<b>Total</b>	<b>653 962</b>	<b>199 470</b>
Detail reconciliations of all grants received and grant conditions met are included in note 22. Unspent grant balances are recognised to the extent that conditions are not yet met.		
No grants were withheld in the current year.		
Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.		
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
<b>17 CURRENT EMPLOYEE BENEFITS</b>		
Bonuses	3 229 287	2 839 723
Staff Leave	6 673 518	5 940 989
Performance Bonuses	294 692	256 294
Current portion of Non-Current Employee Benefits - note 18	2 360 418	1 923 665
Post Retirement Medical Benefits	1 348 415	1 370 475
Long Service Awards	1 012 003	553 190
<b>Total</b>	<b>12 557 915</b>	<b>10 960 671</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 17 CURRENT EMPLOYEE BENEFITS (CONTINUED)

The movement in current employee benefits are reconciled as follows:

#### Bonuses

Opening Balance	2 839 723	2 683 906
Contribution during the year	5 732 029	5 212 918
Payments made	(5 342 465)	(5 057 101)
Balance at the end of the year	<b>3 229 287</b>	<b>2 839 723</b>

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.

#### Staff Leave

Opening Balance	5 940 989	5 538 336
Contribution during the year	1 344 927	1 000 070
Payments made	(612 398)	(597 417)
Balance at the end of the year	<b>6 673 518</b>	<b>5 940 989</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 or when employment is terminated.

#### Performance Bonuses

Opening Balance	256 294	-
Contribution during the year	294 692	289 297
Payments made	(256 294)	(33 003)
Balance at the end of the year	<b>294 692</b>	<b>256 294</b>

Performance bonuses are being paid to the Chief Financial Officer and Director Community Services after an evaluation of performance by the council.

### 18 EMPLOYEE BENEFITS

Post Retirement Medical Benefits	34 080 827	36 122 084
Long Service Awards	6 252 795	5 579 123
<b>Sub-Total</b>	<b>40 333 622</b>	<b>41 701 207</b>
Less: Current portion of Employee Benefits	<b>2 360 418</b>	<b>1 923 665</b>
Post Retirement Medical Benefits	1 348 415	1 370 475
Long Service Awards	1 012 003	553 190
<b>Total</b>	<b>37 973 204</b>	<b>39 777 542</b>

#### 18.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

Opening Balance	36 122 084	37 121 419
Contribution during the year	5 097 128	5 417 470
Current Service Cost	1 697 230	1 873 355
Interest Cost	3 399 898	3 544 115
Payments made	(1 315 781)	(1 308 827)
Actuarial Loss/(Gain)	(5 822 604)	(5 107 978)
Total balance at year-end	34 080 827	36 122 084
Less: Current portion	(1 348 415)	(1 370 475)
<b>Total</b>	<b>32 732 412</b>	<b>34 751 609</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 18 EMPLOYEE BENEFITS (CONTINUED)

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members	176	162
In-service non-members	202	227
Continuation members	29	31
<b>Total</b>	<b>407</b>	<b>420</b>

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	In-Service Members R	In-Service non-Members R	Continuation Members R	Total unfunded Liability R
30 June 2019	13 491 716	2 677 741	17 911 370	<b>34 080 827</b>
30 June 2018	14 692 550	4 440 963	16 988 570	<b>36 122 084</b>
30 June 2017	15 311 846	4 632 412	17 177 161	<b>37 121 419</b>
30 June 2016	19 070 202	4 091 768	15 424 752	<b>38 586 722</b>
30 June 2015	17 257 080	3 886 021	12 678 134	<b>33 821 235</b>

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2019	(1 129 000)	-
30 June 2018	(2 318 000)	-
30 June 2017	(727 000)	-
30 June 2016	773 000	-
30 June 2015	448 000	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas  
LA Health  
Hosmed  
Samwumed  
Keyhealth

Key Actuarial Assumptions used are as follows:

#### i) Interest Rates

Discount rate	9.45%	9.59%
Health Care Cost Inflation Rate	6.88%	7.38%
Net Effective Discount Rate	2.40%	2.06%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

#### ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

#### iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 62 (2018 - 63), which then implicitly allows for expected rates of early and ill-health retirement.

#### iv) Last Valuation

The last valuation was performed on 22 July 2019.

#### v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 18 EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis - Liability at year-end

Assumption	In-service members (R)	Continuation members (R)	Total liability (R)	% change
Liability	16 169 457	17 911 370	34 080 827	
Health care inflation ( + 1% )	19 876 000	19 962 000	39 838 000	17%
Health care inflation ( - 1% )	13 283 000	16 176 000	29 459 000	-14%
Discount rate ( + 1% )	13 365 000	16 228 000	29 593 000	-13%
Discount rate ( - 1% )	19 816 000	19 929 000	39 745 000	17%
Post-retirement mortality ( - 1 year )	16 647 000	18 500 000	35 147 000	3%
Average retirement age ( - 1 year )	17 812 000	17 911 000	35 723 000	5%
Continuation of membership after retirement ( - 10% )	12 585 000	17 911 000	30 496 000	-11%

#### Sensitivity Analysis - Future Service and Interest Cost (Current Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2018/19	1 697 230	3 399 898	5 097 128	
Health care inflation ( + 1% )	2 133 900	3 985 600	6 119 500	20%
Health care inflation ( - 1% )	1 360 100	2 926 700	4 286 800	-16%
Discount rate ( + 1% )	1 381 200	3 245 400	4 626 600	-9%
Discount rate ( - 1% )	2 109 000	3 563 600	5 672 600	11%
Post-retirement mortality ( - 1 year )	1 751 100	3 515 000	5 266 100	3%
Average retirement age ( - 1 year )	1 904 100	3 588 800	5 492 900	8%
Continuation of membership after retirement ( - 10% )	1 380 600	3 073 000	4 453 600	-13%

#### Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2019/20	1 559 100	3 158 400	4 717 500	
Health care inflation ( + 1% )	1 962 900	3 702 100	5 665 000	20%
Health care inflation ( - 1% )	1 250 800	2 721 800	3 972 600	-16%
Discount rate ( + 1% )	1 271 100	3 023 800	4 294 900	-9%
Discount rate ( - 1% )	1 938 400	3 302 600	5 241 000	11%
Post-retirement mortality ( - 1 year )	1 605 000	3 259 100	4 864 100	3%
Average retirement age ( - 1 year )	1 750 800	3 313 600	5 064 400	7%
Continuation of membership after retirement ( - 10% )	1 220 000	2 819 700	4 039 700	-14%

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 18 EMPLOYEE BENEFITS (CONTINUED)

#### 18.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	5 579 123	5 116 747
Contribution during the year	932 462	874 596
Current Service Cost	474 360	448 678
Interest Cost	458 102	425 918
Payments made	(554 200)	(259 377)
Actuarial Loss/(Gain)	295 409	(152 843)
Total balance at year-end	<b>6 252 795</b>	<b>5 579 123</b>
Less: Current portion	(1 012 003)	(553 190)
<b>Total</b>	<b>5 240 792</b>	<b>5 025 933</b>

The Long Service Awards plans are defined benefit plans.

Number of employees that are eligible for Long Service Awards	378	372
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The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

Unfunded Liability  
R

30 June 2019	6 252 795
30 June 2018	5 579 123
30 June 2017	5 116 747
30 June 2016	5 071 550
30 June 2015	4 981 620

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2019	275 911	-
30 June 2018	(64 378)	-
30 June 2017	(190 643)	-
30 June 2016	(128 533)	-
30 June 2015	310 047	-

Key Actuarial Assumptions used are as follows:

#### i) Interest Rates

Discount rate	8.22%	8.63%
General Salary Inflation (long-term)	5.60%	6.22%
Net Effective Discount Rate applied to salary-related Long Service Awards	2.48%	2.27%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

#### ii) Last Valuation

The last valuation was performed on 22 July 2019.

#### iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

# BERGRIVIER LOCAL MUNICIPALITY

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### 18 EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General salary inflation ( + 1%)	6 252 795	6 680 000	7%
General salary inflation ( - 1%)	6 252 795	5 869 000	-6%
Discount rate ( + 1%)	6 252 795	5 854 000	-6%
Discount rate ( - 1%)	6 252 795	6 705 000	7%
Average retirement age ( - 2 years )	6 252 795	5 423 000	-13%
Average retirement age ( + 2 years )	6 252 795	7 059 000	13%
Withdrawal rates ( - 50%)	6 252 795	7 168 000	15%

#### Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service Cost (R)	Interest Cost (R)	Total(R)	% Change
Estimated for 2019/20	560 400	473 200	1 033 600	
General salary inflation ( + 1%)	613 500	508 300	1 121 800	9%
General salary inflation ( - 1%)	513 900	441 700	955 600	-8%
Discount rate ( + 1%)	517 400	494 100	1 011 500	-2%
Discount rate ( - 1%)	610 100	448 200	1 058 300	2%
Average retirement age ( - 2 years )	496 400	405 000	901 400	-13%
Average retirement age ( + 2 years )	621 800	539 500	1 161 300	12%
Withdrawal rates ( - 50%)	695 200	548 400	1 243 600	20%

### 18.3 Other Pension Benefits

#### Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	743 285	644 194
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The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2018 revealed that the fund is in a sound financial position with a funding level of 103.7% (30 June 2017 - 102.6%).

Consolidated Retirement Fund (Former Cape Retirement Fund)	9 719 064	8 877 089
--	-----------	-----------

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in a sound financial position with a funding level of 100.3% (30 June 2016 - 100.6%).

<b>Total</b>	<b>10 462 350</b>	<b>9 521 283</b>
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Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 18 EMPLOYEE BENEFITS (CONTINUED)

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

#### Defined Contribution Plans

Council contributes to the following defined contribution plans:

Municipal Councillors Pension Fund	147 096	184 529
SAMWU National Provident Fund	2 040 453	1 995 513
<b>Total</b>	<b>2 187 549</b>	<b>2 180 042</b>

The retirement benefit funds are 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.

### 19 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	<b>59 642 054</b>	<b>52 408 211</b>
As previously reported		66 402 063
Correction of error restatement - note 41.4		(13 993 852)
Restated balance		<b>52 408 211</b>

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	52 408 211	46 665 631
Contribution during the year	7 233 843	5 900 460
Increase/(Decrease) in estimate	2 207 896	1 211 347
Interest Cost	5 025 947	4 689 113
Expenditure incurred	-	(157 880)
<b>Total</b>	<b>59 642 054</b>	<b>52 408 211</b>

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life. The total obligation at year-end can be attributed to the following sites:

Location	Site Dimensions	Estimated Decommission Date	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Porterville	55 022m <sup>2</sup>	2025	25 049 788	21 842 200
Piketberg	57 000m <sup>2</sup>	2025	27 875 413	24 420 768
Aurora	7 370m <sup>2</sup>	2025	4 583 685	4 112 563
Redelinghuys	1 340m <sup>2</sup>	2025	2 133 169	2 032 680
<b>Total</b>			<b>59 642 054</b>	<b>52 408 211</b>

Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Porterville	2025	39 670 305	36 462 558
Piketberg	2025	44 145 130	40 767 125
Aurora	2025	7 390 792	6 990 342
Redelinghuys	2025	3 439 547	3 455 053
<b>Total</b>		<b>94 645 774</b>	<b>87 675 079</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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	2019	2018
<b>20 RESERVES</b>		
Capital Replacement Reserve	30 848 500	24 891 500
Housing Development Fund	260 572	303 919
<b>Total</b>	<b>31 109 072</b>	<b>25 195 419</b>

The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.

### 21 PROPERTY RATES

Rateable Land and Buildings	67 799 813	62 606 570
<b>Total</b>	<b>67 799 813</b>	<b>62 606 570</b>

#### Property rate levied are based on the following rateable valuations:

Residential Property	5 759 848 720	4 395 496 000
Commercial Property	808 362 000	835 575 000
Industrial Property	323 098 000	-
Institutional	313 859 600	-
Agricultural Purposes	5 231 312 800	3 194 598 200
State - National/ Provincial Services	600 000	-
Public Service Infrastructure	1 240 500	4 685 000
Religious	3 380 000	400 000
Municipal Property	104 859 500	70 000
<b>Total Valuation</b>	<b>12 546 561 120</b>	<b>8 430 824 200</b>

#### Rate that is applicable to the valuations above:

Residential	0.891c/R	1.114c/R
Commercial/Industrial	0.980c/R	1.225c/R
Agricultural	0.178c/R	0.279c/R

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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	2019	2018
<b>22 GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Unconditional Grants - National Government</b>	<b>41 390 000</b>	<b>37 144 000</b>
Equitable Share	41 390 000	37 144 000
<b>Conditional Grants - National Government</b>	<b>25 717 000</b>	<b>18 249 485</b>
Finance Management Grant (FMG)	1 550 000	1 550 000
Municipal Infrastructure Grant (MIG)	19 754 000	14 727 000
Expanded Public Works Programme (EPWP)	1 413 000	1 601 000
Integrated National Electrification Programme (INEP)	3 000 000	371 484
<b>Conditional Grants - Provincial Government</b>	<b>8 477 715</b>	<b>7 968 594</b>
CDW Contribution	-	-
Western Cape Financial Management Support Grant	690 000	330 000
Proclaimed Roads	92 730	75 594
Regional Socio - Economic Project/Violence Prevention through Urban Upgrading	1 000 000	1 000 000
Library Services	6 694 985	6 343 000
Financial Management Capacity Building Grant	-	220 000
Local Government Graduate Internship Allocation	-	-
<b>Conditional Grants - Other Grant Providers</b>	<b>955 493</b>	<b>387 858</b>
Heist op den Berg	766 678	333 358
Chieta	188 815	-
LG Seta	-	54 500
<b>Total</b>	<b>76 540 208</b>	<b>63 749 937</b>
Disclosed as:		
Government Grants and Subsidies - Operating	56 025 405	48 799 496
Government Grants and Subsidies - Capital	20 514 803	14 950 441
<b>Total</b>	<b>76 540 208</b>	<b>63 749 937</b>
Grants per Vote (MFMA Sec 123 (c)):		
Equitable Share	41 390 000	37 144 000
Vote 1 - Municipal Manager	-	-
Vote 2 - Finance	2 240 000	2 100 000
Vote 3 - Corporate Services	1 188 816	1 054 500
Vote 4 - Technical Services	25 026 408	17 108 436
Vote 5 - Community Services	6 694 985	6 343 001
<b>Total</b>	<b>76 540 208</b>	<b>63 749 937</b>
The movements per grant can be summarised as follows:		
<b>22.01 Equitable Share</b>		
Opening Unspent Balance	-	-
Grants Received	41 390 000	37 144 000
Transferred to Revenue - Operating	(41 390 000)	(37 144 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

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.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 22.02 Finance Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received	1 550 000	1 550 000
Transferred to Revenue - Operating	(897 826)	(800 000)
Transferred to Revenue - Capital	(652 174)	(750 000)
Other Movements	-	-
Closing Unspent Balance	-	-

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial

#### 22.03 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	-	-
Grants Received	19 754 000	14 727 000
Transferred to Revenue - Operating	(3 951 356)	(2 431 473)
Transferred to Revenue - Capital	(15 802 644)	(12 295 527)
Other Movements	-	-
Closing Unspent Balance	-	-

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

#### 22.04 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	-	-
Grants Received	1 413 000	1 601 000
Transferred to Revenue - Operating	(1 413 000)	(1 601 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

#### 22.05 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	-	371 484
Grants Received	3 000 000	-
Transferred to Revenue - Operating	-	(46 045)
Transferred to Revenue - Capital	(3 000 000)	(325 439)
Other Movements	-	-
Closing Unspent Balance	-	-

The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

#### 22.06 CDW Contribution

Opening Unspent Balance	13 947	13 947
Grants received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	13 947	13 947

The CDW Contribution was used to finance the activities of Community Development Workers.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 22.07 Western Cape Financial Management Support Grant

Opening Unspent Balance	-	-
Grants received	690 000	330 000
Transferred to Revenue - Operating	(690 000)	(40 525)
Transferred to Revenue - Capital	-	(289 475)
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	-	-
	<hr/>	<hr/>

The Finance Management Grant was used for upgrading of financial system, reviewing of budget related policies, supply chain databases cleansing, risk management and internal audit services.

#### 22.08 Proclaimed Roads

Opening Unspent Balance	-	-
Grants received	92 730	75 594
Transferred to Revenue - Operating	(92 730)	(75 594)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	-	-
	<hr/>	<hr/>

The grant was used for maintenance of provincial roads.

#### 22.09 Regional Socio - Economic Project/Violence Prevention through Urban Upgrading

Opening Unspent Balance	-	-
Grants received	1 000 000	1 000 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(1 000 000)	(1 000 000)
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	-	-
	<hr/>	<hr/>

The grant was utilised for the extension of Calendula street.

#### 22.10 Library Services

Opening Unspent Balance	-	-
Grants Received	7 255 000	6 343 000
Transferred to Revenue - Operating	(6 635 000)	(6 053 000)
Transferred to Revenue - Capital	(59 985)	(290 000)
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	560 015	-
	<hr/>	<hr/>

The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.

#### 22.11 Financial Management Capacity Building Grant

Opening Unspent Balance	20 000	-
Grants Received	-	240 000
Transferred to Revenue - Operating	-	(220 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
	<hr/>	<hr/>
Closing Unspent Balance	20 000	20 000
	<hr/>	<hr/>

The purpose of the grant is to develop financial human capacity within the municipal areas to enable sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 22.12 Local Government Graduate Internship Allocation

Opening Unspent Balance	60 000	60 000
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Other Movements	-	-
	<u>60 000</u>	<u>60 000</u>

This grant will be utilised for the recruitment of interns.

#### 22.13 Heist op den Berg

Opening Unspent Balance	105 523	-
Grants Received	634 275	438 882
Transferred to Revenue - Operating	(766 678)	(333 358)
Transferred to Revenue - Capital	-	-
Other Movements	26 880	-
	<u>-</u>	<u>105 523</u>

This grant is federal government funding from Belgium for solid waste management.

#### 22.14 Chieta

Opening Unspent Balance	-	-
Grants Received	188 815	-
Transferred to Revenue - Operating	(188 815)	-
Transferred to Revenue - Capital	-	-
Other Movements	-	-
	<u>-</u>	<u>-</u>

This grant is for the training and development of municipal officials

#### 22.15 LG Seta

Opening Unspent Balance	-	-
Grants Received	-	54 500
Transferred to Revenue - Operating	-	(54 500)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
	<u>-</u>	<u>-</u>

This grant is for the training and development of municipal officials

#### 22.16 Total Grants

Opening Unspent Balance	199 470	445 431
Grants Received	76 967 821	63 503 975
Transferred to Revenue - Operating	(56 025 405)	(48 799 496)
Transferred to Revenue - Capital	(20 514 803)	(14 950 441)
Other Movements	26 880	-
	<u>653 963</u>	<u>199 470</u>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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	2019	2018
<b>23 CONTRIBUTED ASSETS</b>		
Fire Truck	-	1 754 650
Computer Equipment	-	138 932
Land	700 000	-
<b>Total</b>	<b>700 000</b>	<b>1 893 582</b>
<p>The land was obtained through a court order of property previously transferred from the Municipality. The buyer did not adhere to the requirements as per the sale agreement and accordingly the land was transferred back to the Municipality at market value.</p> <p>The fire truck for the Municipality and computer equipment for a library was sponsored by Western Cape Provincial Government.</p>		
<b>24 FINES, PENALTIES AND FORFEITS</b>		
Traffic Fines	7 618 950	6 472 330
Library Fines	22 045	24 159
Illegal Connections	79 715	204 273
Unclaimed Money	2 214 152	397 509
<b>Total</b>	<b>9 934 861</b>	<b>7 098 271</b>
<p>In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year less any cancellations or reductions identified are recognised as revenue.</p>		
<b>25 ACTUARIAL GAINS</b>		
Post Retirement Medical Benefits	5 822 604	5 107 978
Long Service Awards	-	152 843
<b>Total</b>	<b>5 822 604</b>	<b>5 260 821</b>
<b>26 SERVICE CHARGES</b>		
Electricity	102 494 664	95 252 049
Water	26 256 263	20 911 329
Refuse Removal	25 734 343	23 617 359
Sewerage and Sanitation	15 830 493	14 642 921
<b>Total Revenue</b>	<b>170 315 762</b>	<b>154 423 658</b>
Less: Rebates	(9 684 692)	(8 799 583)
Electricity	(373 211)	(749 743)
Water	(1 908 529)	(1 602 395)
Refuse Removal	(4 448 551)	(3 875 234)
Sewerage and Sanitation	(2 954 401)	(2 572 211)
<b>Total</b>	<b>160 631 071</b>	<b>145 624 075</b>

Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>	2019	2018
<b>27 RENTAL OF FACILITIES AND EQUIPMENT</b>		
Halls	143 606	143 525
Camping and Entrance Fees	4 414 372	4 201 430
Commonage	576 939	582 000
Hawker Stalls	145 842	102 215
Land and Buildings	549 641	290 320
<b>Total</b>	<b>5 830 400</b>	<b>5 319 490</b>
<b>28 AGENCY SERVICES</b>		
Drivers Licences	1 114 062	1 152 956
Motor Vehicle Registration	2 719 058	2 468 579
Roadworthy Certificates	479 476	394 964
<b>Total</b>	<b>4 312 596</b>	<b>4 016 499</b>
<b>29 OTHER INCOME</b>		
Building Plan Approval	1 025 181	1 192 907
Cemetery and Burial	322 620	350 021
Cleaning and Removal	80 252	114 547
Clearance and Valuation Certificates	242 725	210 500
Commission	70 431	57 309
Development Charges	119 477	188 137
Photocopies and Faxes	49 077	50 804
Sub-division and Consolidation Fees	218 682	115 744
Sundry Income	182 628	273 457
<b>Total</b>	<b>2 311 072</b>	<b>2 553 426</b>
<b>30 EMPLOYEE RELATED COSTS</b>		
Basic Salaries and Wages	79 170 666	71 087 583
Pension and UIF Contributions	12 963 003	11 962 404
Medical Aid Contributions	5 135 442	4 502 743
Overtime	5 009 016	4 340 301
Motor Vehicle Allowance	4 340 551	4 096 285
Housing Allowances	1 189 940	1 167 968
Other benefits and allowances	5 518 451	4 980 912
Acting Allowance	844 322	654 343
Bargaining Council Levy	41 361	40 791
Group Life Insurance	1 269 574	1 149 516
Standby Allowance	3 054 798	2 898 457
Sundry Allowances	308 395	237 805
Contributions to Employee Benefits	9 543 238	8 824 318
Bonuses	5 732 029	5 212 918
Staff Leave	1 344 927	1 000 070
Performance Bonuses	294 692	289 297
Long Service Awards	474 360	448 678
Post Retirement Medical Benefits	1 697 230	1 873 355
Workmen's Compensation Fund	616 001	618 314
<b>Total</b>	<b>123 486 307</b>	<b>111 580 828</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 30 EMPLOYEE RELATED COSTS (CONTINUED)

#### Remuneration of Management Personnel

Key management personnel are all appointed on a permanent basis, except for the Municipal Manager who is appointed on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract periods.

#### Municipal Manager - Adv H Linde

Annual Remuneration	1 259 618	1 194 477
Travelling Allowance	128 400	120 000
Contributions to UIF, Medical and Pension Funds	297 290	261 884
<b>Total</b>	<b>1 685 308</b>	<b>1 576 361</b>

#### Director: Corporate Services - Mr JWA Kotzee

Annual Remuneration	780 019	728 259
Travelling Allowance	210 000	180 000
Contributions to UIF, Medical and Pension Funds	193 189	182 677
Housing Subsidy	115 865	123 224
<b>Total</b>	<b>1 299 073</b>	<b>1 214 160</b>

#### Director: Technical Services - Mr H Krohn

Annual Remuneration	833 587	777 255
Travelling Allowance	102 720	96 000
Contributions to UIF, Medical and Pension Funds	204 617	191 100
Housing Subsidy	142 126	132 828
Service Bonus	46 383	43 349
<b>Total</b>	<b>1 329 432</b>	<b>1 240 531</b>

#### Chief Financial Officer - Mr GJ Goliath (resigned November 2018)

Annual Remuneration	335 110	761 352
Travelling Allowance	50 000	120 000
Performance Bonus	139 797	33 002
	53 295	-
Contributions to UIF, Medical and Pension Funds	53 569	117 196
<b>Total</b>	<b>631 771</b>	<b>1 031 550</b>

#### Director: Community Services - Mr DA Josephus (appointed 1 September 2017)

Annual Remuneration	669 852	531 174
Travelling Allowance	156 004	130 004
Contributions to UIF, Medical and Pension Funds	127 185	109 211
Service Bonus	48 754	38 547
Performance Bonus	116 497	-
Housing Subsidy	50 676	23 189
<b>Total</b>	<b>1 168 968</b>	<b>832 123</b>

#### Chief Financial Officer - Mr M Wüst (appointed 01 January 2019)

Annual Remuneration	421 587	-
Travelling Allowance	96 046	-
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	8 603	-
<b>Total</b>	<b>526 235</b>	<b>-</b>

# BERGRIVIER LOCAL MUNICIPALITY

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	2019	2018
<b>31 REMUNERATION OF COUNCILLORS</b>		
Cllr JC Botha	302 752	9 403.27
Ald RM van Rooy	855 042	637 735.98
Ald SM Crafford	701 249	677 531.04
Ald EB Manuel - terminated May 2018	-	757 893.93
Ald A de Vries	703 000	677 531.04
Cllr SR Claassen - terminated October 2018	121 347	364 041.96
Ald SIJ Smit	335 268	292 677.02
Cllr J Daniels - elected August 2016	638 497	292 677.02
Cllr AJ Du Plooy - elected August 2016	645 952	352 147.84
Cllr BJ Claassen - terminated October 2018	93 586	244 908.85
Cllr A Small - elected August 2016	302 299	292 677.02
Cllr MA Wessels - elected August 2016	660 508	637 735.99
Ald J Swart - terminated January 2019	166 322	292 677.02
Cllr D De Bruin - elected November 2018	176 767	-
Cllr A van Wyk - elected January 2019	140 737	-
Cllr I Adams - elected February 2019	116 420	-
Cllr SS Lesch - elected August 2016	302 752	292 677.02
<b>Total</b>	<b>6 262 498</b>	<b>5 822 315</b>

	Basic Salary	Motor Vehicle Allowance	Cellphone Allowance	Medical and Pension Contributions	Total
<b>2019</b>					
Executive Mayor	496 858	203 702	40 800	80 725	822 085
Deputy Executive Mayor	435 629	158 449	40 800	66 371	701 249
Speaker	662 200	-	40 800	-	703 000
Executive Committee	1 082 794	62 394	81 600	85 693	1 312 480
Other Councillors	2 104 914	189 810	311 981	116 979	2 723 684
<b>Total</b>	<b>4 782 394</b>	<b>614 355</b>	<b>515 981</b>	<b>349 768</b>	<b>6 262 498</b>
<b>2018</b>					
Executive Mayor	465 922	170 597	37 113	82 238	755 871
Deputy Executive Mayor	424 158	151 602	40 800	60 971	677 531
Speaker	636 731	-	40 800	-	677 531
Executive Committee	855 208	202 128	81 600	136 536	1 275 472
Other Councillors	1 805 626	155 893	320 957	153 435	2 435 910
<b>Total</b>	<b>1 805 626</b>	<b>680 220</b>	<b>521 270</b>	<b>433 180</b>	<b>5 822 315</b>

### In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Executive Committee members serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.

Councillors may utilize municipal transportation when engaged in official duties

### 32 DEBT IMPAIRMENT

Receivables from Exchange Transactions	8 009 124	8 514 160
Receivables from Non-Exchange Transactions	8 569 155	7 882 725
<b>Total Debt Impairment</b>	<b>16 578 280</b>	<b>16 396 884</b>
Movement in VAT included in debt impairment	(455 716)	(1 083 891)
<b>Total</b>	<b>16 122 564</b>	<b>15 312 993</b>
As previously reported		12 181 899
Correction of error restatement - note 41.1		3 131 094
Restated balance		<b>15 312 993</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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	2019	2018
<b>33 DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	19 645 299	19 621 677
Intangible Assets	525 042	523 531
Investment Property	643	1 384
<b>Total</b>	<b>20 170 984</b>	<b>20 146 591</b>
As previously reported		20 635 899
Correction of error restatement - note 41.4		(607 749)
Correction of error restatement - note 41.5		118 441
Restated balance		20 146 591
<b>34 FINANCE CHARGES</b>		
<b>Cash</b>	6 404 172	6 280 107
Long-term Liabilities	6 404 172	6 280 107
<b>Non-cash</b>	8 883 947	8 659 146
Post Retirement Medical Benefits	3 399 898	3 544 115
Long Service Awards	458 102	425 918
Rehabilitation of Landfill Sites	5 025 947	4 689 113
<b>Total</b>	<b>15 288 120</b>	<b>14 939 253</b>
As previously reported		12 834 747
Correction of error restatement - note 41.4		2 104 506
Restated balance		14 939 253
<b>35 BULK PURCHASES</b>		
Electricity	80 290 903	73 795 816
Water	3 398 209	4 006 927
Water Purchased	4 451 789	4 006 927
Surplus generated by West Coast District Municipality (WCDM)	(1 053 580)	-
<b>Total</b>	<b>83 689 111</b>	<b>77 802 743</b>
Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including WCDM and a number of private suppliers. Refer to note 54 for more detail regarding the WCDM surplus.		
<b>36 CONTRACTED SERVICES</b>		
Accounting and Auditing	1 985 601	1 567 581
Communications	1 021 579	601 404
Drivers Licence Cards	311 102	337 725
Human Resources	142 907	147 115
Laboratory Services	407 290	626 663
Legal Cost	374 920	286 715
Maintenance Services	3 988 845	3 732 367
Organisational	902 464	1 433 190
Refuse Removal	3 911 271	3 998 873
Security Services	535 323	570 072
Traffic Fines Management	217 037	199 059
Valuer and Assessors	293 217	1 035 417
Other Consulting and Professional Fees	2 189 006	1 577 126
<b>Total</b>	<b>16 280 561</b>	<b>16 113 307</b>
As previously reported		-
Reclassification - note 41.1		16 113 307
Restated balance		16 113 307

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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	2019	2018
<b>37 TRANSFERS AND GRANTS</b>		
Animal Welfare	103 000	50 000
Bergrivier Canoe Marathon	56 700	53 500
Bergrivier Estuary Management Forum	143 000	134 970
External Bursaries	659 085	220 000
Museums	509 750	480 900
Port Owen Marine Authority	1 360 000	901 690
Society for the Prevention of Cruelty to Animals (SPCA)	77 500	120 230
Sport Councils	337 200	260 000
St Helena Bay Water Quality Trust	41 465	34 016
Tourism	2 035 000	1 891 800
Other Transfers and Grants	-	3 000
<b>Total</b>	<b>5 322 700</b>	<b>4 150 106</b>
<b>38 OTHER EXPENDITURE</b>		
Advertising, Publicity and Marketing	1 116 097	884 498
Bank Charges, Facility and Card Fees	672 233	617 347
Bursaries to Employees	54 875	313 936
Chemicals	461 971	525 694
Commission - Prepaid Electricity	2 171 985	1 932 461
Communication	2 639 533	2 720 001
Cellular Contract (Subscription and Calls)	467 729	531 398
Postage, Stamps and Franking Machines	620 204	656 484
Telephone, Fax, Telegraph and Telex	1 551 600	1 532 119
Electricity - Internal usage	1 274 566	1 146 916
Entertainment	126 500	186 152
External Audit Fees	2 858 622	2 308 755
External Computer Service	1 189 535	1 323 558
Fuel	4 257 661	3 581 984
Hire Charges	679 463	281 532
Insurance	1 001 514	1 058 418
Learnerships and Internships	721 844	729 613
Maintenance Materials	4 494 422	3 770 160
Motor Vehicle Licence and Registrations	292 651	252 963
Printing and Stationary	1 292 002	1 239 970
Professional Bodies, Membership and Subscription	1 255 824	1 198 128
Refuse bags	1 402 402	1 286 303
Skills Development Fund Levy	962 298	927 932
Small Tools and Equipment	545 107	291 563
Travel and Subsistence	2 257 863	1 356 589
Uniform and Protective Clothing	557 893	591 551
Sundries and Other Consumables	2 449 153	1 949 368
<b>Total</b>	<b>34 736 013</b>	<b>30 475 392</b>
As previously reported		46 294 892
Correction of error restatement - note 41.5		293 807
Reclassification - note 41.1		(16 113 307)
Restated balance		30 475 392
<b>39 ACTUARIAL LOSSES</b>		
Long Service Awards	295 409	-
<b>Total</b>	<b>295 409</b>	<b>-</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 40 GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS

Proceeds	785 990	789 855
Less: Carrying value of Investment Property disposed	(50 000)	(110 000)
Less: Carrying value of Property, Plant and Equipment disposed	(230 125)	(113 723)
<b>Total</b>	<b>505 865</b>	<b>566 132</b>

### 41 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

#### 41.1 Receivables from Exchange and Non-Exchange Transactions

- In the prior year the Auditor General raised a finding whereby it was stated that the Municipality's provision for doubtful debt was insufficient and not in line with the requirements of GRAP 104. Accordingly, the Municipality reviewed its doubtful debt provision calculation in line with GRAP 104 and noted that the provision was understated by R20 965 384.
- In the prior year interest was incorrectly levied on hand over accounts. As on 30 June 2018, the Municipality assessed the error as being R3 328 621 and accordingly made an adjustment to interest. However, during 2018/19 it was noted that the actual amount of interest which should have been corrected amounted to R1 760 585, resulting in an error of R1 568 036 of which interest was understated in 2017/18.
- It was noted that Receivables from Exchange Transactions amounting to R 4214 375 (net amount) was incorrectly included in Receivables from Non-Exchange in the prior year.

The net effect of the above-mentioned errors were as follow:

- Receivables from Exchange Transactions - note 3	Overstated	(12 335 913)
- Receivables from Non-Exchange Transactions - note 4	Overstated	(7 061 435)
- Taxes - note 5	Understated	1 838 311
- Debt Impairment - note 32	Understated	3 131 094
- Accumulated Surplus - note 41.7	Overstated	(15 995 978)
- Interest Earned - outstanding debtors - note 41.8	Understated	1 568 036

#### 41.2 Taxes

- The VAT portion pertaining to Debt Impairment amounting to R1 159 358 was incorrectly accounted for in 2014/15 as the increase in the VAT portion of the provision was not netted off against surplus.
- A SARS assessment was performed during 2014/15 whereby R269 723 of VAT refunds were not paid out due to invalid tax invoices. In addition, penalties and interest amounting to R16 831 was also raised in this regard. The said assessment deduction and penalties and interest were never accounted for.

The net effect of the above-mentioned errors were as follow:

- Taxes - note 5	Understated	872 803
- Accumulated Surplus - note 41.7	Understated	872 803

#### 41.3 Investment Property

In the current year a property deeds verification was performed, whereby it was noted that investment properties amounting to R2 631 579 was not recorded in the asset register. It was also noted that property amounting to R15 000 should be removed from the asset register.

The net effect of the above-mentioned errors were as follow:

- Investment Property - note 9	Understated	2 616 579
- Accumulated Surplus - note 41.7	Understated	2 616 579

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 41 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

#### 41.4 Property Plant and Equipment

- In the current year a property deeds verification was performed, whereby it was noted that property amounting to R273 000 was not recorded in the asset register. It was also noted that property amounting to R554 000 should be removed from the asset register.
- In the current year a GIS verification exercise was performed. It was noted that infrastructure assets amounting to R127 416 which were replaced, were not removed from the asset register.
- Other Assets (movable assets) previously not included in the asset register were identified during the current years asset verification with a carrying value of R65 050.
- It was noted that projects which were already completed, were still disclosed as work in progress. Accordingly, accumulated depreciation amounting to R1 076 108 was not recorded.
- Capitalised Restoration Cost amounting to R22 821 531 was previously separately disclosed on the face of the Statement of Financial Position. This was deemed inappropriate in terms of GRAP 17, and subsequently removed to be included in the balance Property, Plant and Equipment.
- The discount rate used to calculate the provision for landfill site was deemed inappropriate. The revised discount rate used, resulted that the said provision was overstated by R13 993 852.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 10	Understated	15 764 112
- Capitalised Restoration Cost (line item removed)	Overstated	(22 821 531)
- Non-Current Provisions - note 19	Overstated	(13 993 852)
- Depreciation and Amortisation - note 33	Overstated	(607 749)
- Finance Charges - note 34	Understated	2 104 506
- Accumulated Surplus - note 41.7	Understated	8 433 190

#### 41.5 Intangible Assets

- Operating expenditure pertaining to the Phoenix system acquisition was incorrectly capitalised to a total value of R345 834.
- In addition, a completed project was incorrectly recorded as work in progress resulting that amortisation amounting to R118 440 not was recorded.

The net effect of the above-mentioned errors were as follow:

- Intangible Assets - note 11	Overstated	(464 275)
- Depreciation and Amortisation - note 33	Understated	118 441
- Other Expenditure - note 38	Understated	293 807
- Accumulated Surplus - note 41.7	Overstated	(52 027)

#### 41.6 Payables from exchange transactions

Property Rates amounting to R452 133 were incorrectly levied on internal accounts. However, the correction was duplicated resulting that the said accounts were in credit and disclosed as Payments Received in Advance.

The net effect of the above-mentioned errors were as follow:

- Payables from exchange transactions note 15	Overstated	(452 133)
- Accumulated Surplus - note 41.7	Understated	452 133

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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**41 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)**

**41.7 Accumulated Surplus**

Receivables from Exchange and Non-Exchange Transactions - note 41.1	Overstated	(15 995 978)
Investment Property - note 41.3	Understated	2 616 579
Property Plant and Equipment - note 41.4	Understated	8 433 190
Intangible Assets - note 41.5	Overstated	(52 027)
Payables from exchange transactions - note 41.6	Understated	452 133
Taxes - note 41.2	Understated	872 803
<b>Total</b>		<b>(3 673 300)</b>

**41.8 Statement of Financial Performance**

Interest Earned - outstanding debtors		6 843 064
As previously reported		5 275 028
Receivables from Exchange and Non-Exchange Transactions - note 41.1		1 568 036

**41.9 Capital Commitments**

It was noted that capital commitments pertaining to the Phoenix system acquisition was overstated, as the capital commitment as on 30 June 2018 incorrectly included operating expenditure to be incurred in the future.

The net effect of the above-mentioned errors were as follow:

- Capital Commitments	Overstated	(2 952 991)
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**42 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATION**

**41.1 Contracted Services**

Items listed in note 36 were reclassified from Other Expenditure to Contracted Services in order to align the expenditure to the mSCOA chart.

The above mentioned reclassifications affected the following line items:

- Contracted Services		16 113 307
- Other Expenditure		(16 113 307)

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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	2019	2018
<b>42 NET CASH FROM OPERATING ACTIVITIES</b>		
Net Surplus for the year	26 546 020	15 953 985
Adjusted for:		
Non-cash revenue included in Net Surplus	(7 011 660)	(7 698 361)
Contributed Assets	(700 000)	(1 893 582)
Actuarial Gains	(5 822 604)	(5 260 821)
Rental of Facilities and Equipment - movement in operating lease asset	16 809	22 174
Gain on disposal of Non-Monetary Assets	(505 865)	(566 132)
Non-cash expenditure included in Net Surplus	55 026 932	52 943 048
Employee Related Costs - Contributions towards	9 543 238	8 824 318
Post Retirement Medical Benefits	1 697 230	1 873 355
Long Service Awards	474 360	448 678
Bonuses	5 732 029	5 212 918
Staff Leave	1 344 927	1 000 070
Performance Bonuses	294 692	289 297
Debt Impairment	16 122 564	15 312 993
Depreciation and Amortisation	20 170 984	20 146 591
Finance Charges	8 883 947	8 659 146
Post Retirement Medical Benefits	3 399 898	3 544 115
Long Service Awards	458 102	425 918
Provision for Rehabilitation of Landfill-sites	5 025 947	4 689 113
Actuarial Losses	295 409	-
Other Expenditure - movement in operating lease liability	10 790	-
Cash expenditure not included in Net Surplus	(8 081 138)	(7 413 605)
Post Retirement Medical Benefits	(1 315 781)	(1 308 827)
Long Service Awards	(554 200)	(259 377)
Bonuses	(5 342 465)	(5 057 101)
Staff Leave	(612 398)	(597 417)
Performance Bonuses	(256 294)	(33 003)
Provision for Rehabilitation of Landfill-sites	-	(157 880)
Operating Surplus before changes in working capital	66 480 154	53 785 066
Movement in working capital	(34 929 772)	(31 286 842)
Receivables from Exchange Transactions	(20 986 080)	(14 543 645)
Receivables from Non-Exchange Transactions	(8 887 686)	(10 702 136)
Inventory	771 470	(397 569)
Long-term Receivables	946 727	912 310
Payables from exchange transactions	(5 505 190)	(10 676 510)
Unspent Conditional Government Grants	454 492	(245 961)
Taxes	(1 723 506)	4 366 669
<b>Cash Flow from Operating Activities</b>	<b>31 550 382</b>	<b>22 498 224</b>

# BERGRIVIER LOCAL MUNICIPALITY

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### 43 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	64 569 543	71 494 389
Call and Notice Deposits	6 852 211	6 425 225
Cash Floats	16 350	16 350
<b>Total</b>	<b>71 438 105</b>	<b>77 935 964</b>

Refer to note 2 for more details relating to cash and cash equivalents.

### 44 BUDGET COMPARISONS

#### 44.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats.

The following items are affected by these classification differences:

##### Statement of Financial Position

*Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.*

*Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.*

*Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.*

*Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.*

##### Statement of Financial Performance

*The statement of financial performance is comparable on a line by line basis except for the following items:*

*The budget statements does not provide for all the different revenue classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Revenue in the budget statement.*

*Depreciation and Amortisation and Impairments are aggregated on the budget statements while it is shown separately on the Statement of Financial Performance.*

*The budget statements does not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Expenditure in the budget statement.*

*Other Materials is required to be separately budgeted. However this line item is not GRAP compliant as it does not disclose the nature of the expenditure. Accordingly Other Materials be read in conjunction with Other Expenditure.*

##### Cash Flow Statement

*The Cash Flow Statement is presented on a comparable basis.*

#### 44.2 Statement of Financial Position

##### Adjustments to Original Budget

*Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2017/18.*

*Property, Plant and Equipment was also adjusted to take into account approved roll over grants as well as Public Donations and Contributions which were not included in the original budget.*

*Accumulated Surplus was adjusted to take into account budget adjustments made to the Statement of Financial Performance.*

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 44 BUDGET COMPARISONS (CONTINUED)

#### Actual Amounts vs Final Budget

*Cash was less than budget due to the settlement of outstanding creditors at year-end.*

*Consumer Debtors were less than budget due to the revision of the allowance for debt impairment calculation.*

*Investment Property were more than budget, due to prior years errors whereby land was identified which were not previously recorded in the asset register.*

*Trade and Other Payables were less than budget due to the settlement of outstanding creditors as mentioned above.*

### 44.3 Statement of Financial Performance

#### Adjustments to Original Budget

*Transfers Recognised - Operational was decreased as a result of a decrease in the allocation from Human Settlements amounting to R3.1 million.*

*Employee related costs were adjusted downwards as a result of not all vacant posts being filled.*

*Debt Impairment was increased as a result of the actual collection rate for 2017/18 which was lower than anticipated.*

*Bulk Purchases were increased to into account the increase in electricity demand.*

*Contracted Services was decreased due to the decrease in the allocation from Human Settlements.*

#### Actual Amounts vs Final Budget

*Service Charges - Electricity Revenue were less than budget due to internal usage included in budget.*

*Rental of Facilities and Equipment was more than budget due to camping fees being included under Other Revenue for budget purposes, rather than Rental of Facilities and Equipment.*

*Interest Earned - Outstanding Debtors was more than budget due to lower collections rates for 2017/18 and 2018/19 than in previous years on which the budget assumptions was based.*

*Other Material and Other Expenditure should be read in conjunction. The reason for the actuals amounts being less than budget are due to internal charges which was budgeted for as an expense. For GRAP purposes, all internal charges are reversed.*

*Contracted Services were less than budget due to expenditure pertaining to the Housing grant being treated differently for budget and GRAP purposes. For budget purpose it is included as expenditure, but for GRAP purposes it is treated as an agency service.*

### 44.4 Cash Flow Statement

#### Adjustments to Original Budget

*Government Grants were decreased as a result of the decrease of the Human Settlement's grant.*

*Suppliers and Employees were decreased due to the decrease in employee related costs and contracted services.*

#### Actual Amounts vs Final Budget

*Services charges were less than budget due to a lower collection rate than anticipated in the budget and also internal usage which were budgeted for.*

*Government Grants were less than budget due to the treatment of the Housing grant as an agency function.*

*Interest were less than budget as interest receipts for outstanding debtors are included as part of service charges.*

*Suppliers and Employee were less than budget due to the treatment of the Housing grant as an agency function and internal usage budgeted as expenditure rather than internal usage.*

*Capital Assets were less than budget as all capital projects were concluded at year-end.*

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

#### 45.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	-	-
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	687 569	-
Approved by Council	-	-
<b>Unauthorised expenditure awaiting further action</b>	<b>687 569</b>	<b>-</b>

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2019 (Actual) R	2019 (Final Budget) R	2019 (Unauthorised) R	2018 (Unauthorised) R
<b>Unauthorised expenditure - Operating</b>				
Vote 1 - Municipal Manager	23 598 251	24 732 817	-	-
Vote 2 - Finance	29 743 171	31 475 775	-	-
Vote 3 - Corporate Services	27 622 634	28 779 489	-	-
Vote 4 - Technical Services	192 017 789	195 699 816	-	-
Vote 5 - Community Services	48 672 383	54 655 481	-	-
<b>Total</b>	<b>321 654 228</b>	<b>335 343 378</b>	<b>-</b>	<b>-</b>
<b>Unauthorised expenditure - Capital</b>				
Vote 1 - Municipal Manager	88 244	95 500	-	-
Vote 2 - Finance	840 953	844 174	-	-
Vote 3 - Corporate Services	2 866 569	2 179 000	687 569	-
Vote 4 - Technical Services	30 290 451	34 527 000	-	-
Vote 5 - Community Services	7 628 622	8 212 000	-	-
<b>Total</b>	<b>41 714 839</b>	<b>45 857 674</b>	<b>687 569</b>	<b>-</b>

Unauthorised expenditure relates to land amounting to R700 000 which was received as a result of a court order and is therefore a non-cash item.

#### 45.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	-	-
Fruitless and wasteful expenditure incurred - prior years	16 832	-
Fruitless and wasteful expenditure incurred - current year	1 737	8 993
Recovered from Employees	-	(8 993)
Approved by Council	(18 569)	-
<b>Fruitless and wasteful expenditure awaiting further action</b>	<b>-</b>	<b>-</b>

Details of fruitless and wasteful expenditure incurred

(a) An employee who resigned service in August 2017 was paid a salary in September 2017 and not all funds could be recovered.	-	2 042
(b) An employee who retired from service in January 2018 was paid a salary in February 2018 and not all funds could be recovered.	-	6 951
(c) Two Councillors who resigned service in October 2018 was paid the salary on the 25th of October and not all funds could be recovered.	1 737	-
(d) SARS Interest and Penalties (March 2014)	16 832	-
<b>Total</b>	<b>18 569</b>	<b>8 993</b>

No disciplinary steps or criminal proceedings were instituted as a result of fruitless and wasteful expenditure incurred due to the employees no longer being in service of the municipality and no criminal offence occurred.

# BERGRIVIER LOCAL MUNICIPALITY

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### 45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

#### 45.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	5 726 684	2 734 536
Irregular expenditure incurred - current year	9 663 373	2 992 148
Approved by Council	(3 031 548)	-
<b>Irregular expenditure awaiting further action</b>	<b>12 358 509</b>	<b>5 726 684</b>

Details of irregular expenditure incurred

(a) Service rendered without a contract in place - Section 116(3) process followed	3 031 548	1 327 352
(b) Deviation was incorrectly classified as an emergency	3 842 350	-
(c) Regulation 32 - Auditor General interpretation of Circular 96	2 587 124	1 664 795
(d) Non-compliance with SCM Regulations	202 351	-
<b>Total</b>	<b>9 663 373</b>	<b>2 992 148</b>

Details of irregular expenditure awaiting further action:

(a) Service rendered without a contract in place - Section 116(3) process followed	2 784 573	2 784 573
(b) Deviation was incorrectly classified as an emergency	3 842 350	-
(c) Regulation 32 - Auditor General interpretation of Circular 96	5 529 235	2 942 111
(d) Non-compliance with SCM Regulations	202 351	-
<b>Total</b>	<b>12 358 509</b>	<b>5 726 684</b>

Incidents/cases identified in the current year include:

(a) Service rendered without a contract in place - Section 116(3) process followed	4	2
(b) Deviation was incorrectly classified as an emergency	1	0
(c) Regulation 32 - Auditor General interpretation of Circular 96	4	3
(d) Non-compliance with SCM Regulations	2	0

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

### 46 MATERIAL LOSSES

#### 46.1 Water distribution losses

Kilo litres disinfected/purified/purchased	1 713 503	1 715 403
Kilo litres sold and free basic services	1 552 025	1 595 585
Kilo litres lost during distribution	161 478	119 818
Percentage lost during distribution	9.42%	6.98%

Normal pipe bursts and field leakages are responsible for water losses.

#### 46.2 Electricity distribution losses

Units purchased (Kwh)	82 365 768	79 806 013
Units sold, free basic services and standard friction losses	72 190 928	72 101 616
Units lost during distribution (Kwh)	10 174 840	7 704 397
Percentage lost during distribution	12.35%	9.65%

Electricity losses are mainly due to friction losses.

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### 47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

#### 47.1 SALGA Contributions [MFMA 125 (1)(b)]

Opening balance	-	-
Expenditure incurred	1 197 615	1 143 183
Payments	(1 197 615)	(1 143 183)
<b>Payments in advance</b>	<b>-</b>	<b>-</b>

#### 47.2 Audit Fees [MFMA 125 (1)(c)]

Opening balance	-	-
Expenditure incurred	2 918 258	2 381 045
External Audit - Auditor-General	2 858 622	2 308 755
Audit Committee	59 636	72 291
Payments	(2 918 258)	(2 381 045)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>

#### 47.3 VAT [MFMA 125 (1)(c)]

Opening balance	1 958 124	3 634 305
Net amount claimed / (declared) during the year	(1 191 061)	1 499 425
Net amount paid / (received) during the year	1 716 244	(3 175 606)
<b>Outstanding Balance</b>	<b>2 483 307</b>	<b>1 958 124</b>

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. All VAT returns have been submitted by the due date throughout the year.

#### 47.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	17 969 254	15 241 589
Payments	(17 969 254)	(15 241 589)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>

#### 47.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	28 848 537	25 247 683
Payments made to pension and medical fund	(28 848 537)	(25 247 683)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>

#### 47.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

The following Councillor had arrear accounts outstanding for more than 90 days during the year.

J Swart	-	84
AJ du Plooy	-	1 884
<b>Total</b>	<b>-</b>	<b>1 968</b>

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### 47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

#### 47.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

Section 36(1)(a)(i) - Emergencies	2 830 617	3 659 613
Section 36(1)(a)(ii) - Single provider	885 712	1 682 280
Section 36(1)(a)(iii) - Specialised services	2 813 140	1 757 437
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	1 863 246	2 269 538
<b>Total</b>	<b>8 392 714</b>	<b>9 368 869</b>

Deviations from Supply Chain Management Regulations can be allocated as follow:

Vote 1 - Municipal Manager	201 281	486 258
Vote 2 - Finance	209 133	172 941
Vote 3 - Corporate Services	418 671	1 166 380
Vote 4 - Technical Services	7 313 363	6 815 851
Vote 5 - Community Services	250 267	727 439
<b>Total</b>	<b>8 392 714</b>	<b>9 368 869</b>

All the deviations were ratified by the Municipal Manager and reported to Council.

### 48 CAPITAL COMMITMENTS

Approved and contracted for

**8 218 070**

**18 889 582**

Land and Buildings	687 801	-
Infrastructure	7 295 092	18 108 559
Intangible Assets	235 177	781 023

As previously reported

21 842 573

Correction of error restatement - note 41.9

(2 952 991)

Restated balance

**18 889 582**

This expenditure will be financed from:

Government Grants	6 442 066	12 222 309
External Loans	687 801	2 500 000
Own funding	1 088 203	4 167 274
	<b>8 218 070</b>	<b>18 889 582</b>

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).

# BERGRIVIER LOCAL MUNICIPALITY

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### 49 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

#### 49.1 Credit Risk

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

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	71 438 105	77 935 964
Receivables from exchange transactions	53 367 672	40 390 717
Long-term Receivables	618 484	1 608 558
<b>Total</b>	<b>125 424 261</b>	<b>119 935 239</b>

#### Cash and Cash Equivalents

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

#### Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables 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.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be passed due.

Refer to note 3 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be passed due.

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are passed due, but not impaired:

Electricity	7 248 910	6 403 949
Water	4 852 578	3 477 153
Refuse	8 339 679	6 820 102
Sewerage	5 903 500	4 802 118
Other	8 202 832	6 759 561
Property Rates (Statutory Receivable)	17 509 740	17 986 365
<b>Total</b>	<b>52 057 239</b>	<b>46 249 247</b>

# BERGRIVIER LOCAL MUNICIPALITY

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### 49 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 49.2 Currency risk (Market Risk)

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

The financial instruments of the Municipality is not directly exposed to any currency risk.

#### 49.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	71 421 755	77 919 614
Long-term Liabilities (including current portion)	-	-
<b>Net balance exposed</b>	<b>71 421 755</b>	<b>77 919 614</b>

Potential effect of changes in interest rates on surplus and deficit for the year:

1% (2018 - 1%) increase in interest rates	714 218	779 196
0% (2018 - 0%) decrease in interest rates	-	-

South Africa is currently in an upward interest rate cycle and management does not foresee a decrease in the next 12 months.

#### 49.4 Liquidity risk

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

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
<b>30 JUNE 2019</b>				
Annuity Loans	11 673 958	43 024 667	44 911 852	99 610 477
Payables from exchange transactions	11 420 805	-	-	11 420 805
<b>Total</b>	<b>23 094 763</b>	<b>43 024 667</b>	<b>44 911 852</b>	<b>111 031 282</b>
<b>30 JUNE 2018</b>				
Annuity Loans	11 514 728	40 987 162	47 980 158	100 482 048
Payables from exchange transactions	17 291 431	-	-	17 291 431
<b>Total</b>	<b>28 806 159</b>	<b>40 987 162</b>	<b>47 980 158</b>	<b>117 773 479</b>

#### 49.5 Other price risk (Market Risk)

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

The Municipality is not exposed to any other price risk.

# BERGRIVIER LOCAL MUNICIPALITY

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### 50 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

#### Financial Assets

Cash and Cash Equivalents	71 438 105	77 935 964
Receivables from Exchange transactions	53 367 672	40 390 717
Long-term Receivables	618 484	1 608 558
<b>Total</b>	<b>125 424 261</b>	<b>119 935 239</b>

#### Financial Liabilities

Payables from exchange transactions	11 420 805	17 291 431
Long-Term Liabilities	58 193 471	56 362 960
<b>Total</b>	<b>69 614 276</b>	<b>73 654 391</b>

### 51 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

Taxes	1 839 119	-
Receivables from Non-Exchange Transactions	23 793 014	24 478 637
Rates	22 161 785	21 950 686
Fines	966 100	769 631
Unpaid Grants	140 694	113 815
Department of Human Settlements	-	1 436 010
Witewater Infrastructure Project	271 458	208 494
Goedverwacht Infrastructure Project	252 977	-
<b>Total</b>	<b>25 632 133</b>	<b>24 478 637</b>

The amounts above are disclosed after any provision for impairment has been taken into account.

### 52 EVENTS AFTER REPORTING DATE

**52.1** In terms of the services concession agreement, the local municipalities determine a tariff, in consultation with the WCDM, that allows the WCDM to recover the costs the WCDM incurs in the provision of the bulk water services. The local municipalities also pay the WCDM an administrative fee of 10% of the operational costs which is also included in the tariff above. The calculation of the 2017/18 and 2018/19 surplus/deficit and its split between the local municipalities was finalised and agreed on 23 August 2019 and is regarded as an adjusting event after the reporting date. The Statement of Financial Position and Statement of Financial Performance have been adjusted to include the surplus amounting to R1 053 580.

Bulk Purchases for water as per note 35 has accordingly been adjusted to take into account the surplus amount of R1 053 580.

**52.2** The Municipality suffered a loss of R4 170 410 as a result of theft by an employee of the Municipality. The employee signed an admission of guilt and resigned on 3 September 2019. Claims to recover the monies have been submitted to both the said employee's pension fund and the Municipality's insurance broker. A criminal case was also opened with SAPS.

**52.3** Allegations of fraudulent transactions on the issuing of free units of prepaid electricity to the approximate of 560 000 units was identified. The employee resigned on 25 November 2019. Claims to recover the money will be submitted to his pension fund. A criminal case was also opened with SAPS.

**52.4** Riots were experienced in the town of Velddrif during the month of October 2019 of which municipal property was damaged. The damages are estimated at R574 500.

# BERGRIVIER LOCAL MUNICIPALITY

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### 53 IN-KIND DONATIONS AND ASSISTANCE

The Municipality received donations as disclosed in note 23.

### 54 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

### 55 CONTINGENT LIABILITIES

The Municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

### 56 RELATED PARTIES

#### 56.1 Related Party Transactions

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

	Rates	Service Charges	Other	Outstanding Balance
<b>2019</b>				
<u>Councillors</u>				
A Small	383	6 357	4	536
AJ De Vries	12 786	4 608	27	1 449
AJ Du Plooy	1 354	7 124	48	716
J Daniels	6 050	9 312		1 090
J Swart	4 215	4 884	13	1 349
MA Wessels	-	13 158	3	553
RM van Rooy	-	-	-	-
SIJ Smit	4 767	53 176	758	8 191
SM Crafford	7 671	4 689		192
SR Claassen	327	1 764		523
BJ Claasen	-	-	-	-
J Botha	9 890	7 736	233	1 408
D De Bruin	1 232	3 709	721	664
SS Lesch	-	-	-	-
<b>Total</b>	<b>48 675</b>	<b>116 517</b>	<b>1 806</b>	<b>16 671</b>
<u>Municipal Manager and Section 57 Employees</u>				
Adv H Linde	13 231	10 039	2	1 783
DA Josephus	8 108	8 786		1 376
JWA Kotzee	14 568	8 764	-	3 076
H Krohn	10 692	21 596	994	(2 396)
M Wüst	-	-	-	-
GJ Goliath	-	-	-	-
<b>Total</b>	<b>46 599</b>	<b>49 184</b>	<b>995</b>	<b>3 839</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 56 RELATED PARTIES (CONTINUED)

#### 2018

##### Councillors

A Small	279	5 952	48	1 062
AJ De Vries	10 917	4 317	46	1 272
AJ Du Plooy	1 003	6 107	154	3 711
EB Manuel	-	-	-	-
J Daniels	5 681	7 705	11	1 056
J Swart	6 573	7 246	20	1 368
MA Wessels	-	15 181	-	975
RM van Rooy	-	-	-	-
SIJ Smit	4 456	48 566	340	7 260
SM Crafford	5 932	4 621	-	(1 295)
SR Claassen	1 114	4 919	-	505
BJ Claasen	-	-	-	-
SS Lesch	-	-	-	-
<b>Total</b>	<b>35 955</b>	<b>104 614</b>	<b>619</b>	<b>15 914</b>

##### Municipal Manager and Section 57 Employees

Adv H Linde	12 922	14 095	-	2 054
DA Josephus	6 684	6 280	-	1 330
JWA Kotzee	1 170	7 999	-	1 124
H Krohn	9 358	29 658	1 504	12 391
GJ Goliath	-	-	-	-
<b>Total</b>	<b>30 134</b>	<b>58 033</b>	<b>1 504</b>	<b>16 898</b>

#### 56.2 Related Party Loans

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

#### 56.3 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 30 and 31.

#### 56.4 Other related party transactions

The Municipality did not enter into any transactions where Councillors or Management had an interest.

#### 56.5 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

The following awards were made where immediate family members are in the service of the State:

Company Name	Related Party	Family member in service of the state	Amount	Amount
Siphenkhosi Protection Service	C Claasen	Spouse (Bergrivier Municipality)	-	147 758
Shop at Sandys	T Wessels	Daughter (Bergrivier Municipality)	23 130	22 450
IOMU trading	A Appollis	Spouse (Correctional Services)	580 729	330 959
Ettiene Vermaak	J Vermaak	Spouse (Karl Bremer Hospital)	19 861	27 107
Cederberg Conservation Service	B Du Plessis	Spouse (Cape Nature)	18 038	-
Die Naaldwerk Kamer	W de Jager	Spouse (Bergrivier Municipality)	4 900	-
<b>Total</b>			<b>646 658</b>	<b>528 274</b>

# BERGRIVIER LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

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### 56 CONTINGENT ASSET

The Municipality is not aware of any contingent assets.

### 57 FINANCIAL SUSTAINABILITY

Management is of the opinion that the Municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

#### Financial Indicators

The current ratio increased to 4.12:1 from 3.61:1 in the prior year.

The Municipality have budgeted for a surplus of R15 962 721 for the 2019/2020 financial year and surpluses of R4 405 604 and R5 666 262 for the 2020/2021 and 2021/2022 years respectively.

Cash and Cash Equivalents have decreased during the year due to the Municipality settling outstanding creditors at year-end.

### 58 B-BBEE PERFORMANCE

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

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2019

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2018	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2019
<b><u>ANNUITY LOANS</u></b>							
DBSA	61003131	16.50%	2020/12/31	341 432	-	(120 603)	220 829
Nedbank	05/7831032282	11.27%	2023/06/12	2 467 734	-	(395 140)	2 072 594
DBSA	61000757	9.86%	2018/12/31	491 801	-	(491 801)	-
DBSA	61001029	12.41%	2030/06/30	14 656 134	-	(579 177)	14 076 957
DBSA	61006811	11.53%	2031/06/30	3 468 515	-	(125 032)	3 343 483
DBSA	61006837	11.59%	2036/06/30	8 314 648	-	(150 635)	8 164 013
DBSA	61006975	11.33%	2032/06/30	3 546 400	-	(113 650)	3 432 750
Standard Bank	252933753	11.95%	2024/06/30	4 982 529	-	(611 036)	4 371 493
Standard Bank	252933737	11.25%	2019/06/30	492 412	-	(492 412)	-
Standard Bank	410683566	10.26%	2023/06/30	6 080 000	-	(992 982)	5 087 018
ABSA	3044794458	9.99%	2021/06/30	282 973	-	(85 164)	197 809
ABSA	3044701437	10.57%	2026/06/12	4 966 100	-	(417 670)	4 548 430
ABSA	3046456438	10.12%	2027/06/30	5 618 154	-	(403 676)	5 214 478
ABSA	3046456399	9.77%	2022/06/30	654 152	-	(140 535)	513 617
DBSA	61007572	9.28%	2029/06/29	-	5 850 000	-	5 850 000
DBSA	61007573	8.90%	2024/06/30	-	1 100 000	-	1 100 000
<b>Total Annuity Loans</b>				<b>56 362 984</b>	<b>6 950 000</b>	<b>(5 119 513)</b>	<b>58 193 471</b>

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2019

	OPENING BALANCE R	GRANTS RECEIVED / (REPAID) R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	OTHER MOVEMENT R	CLOSING BALANCE R
<b>NATIONAL GOVERNMENT</b>						
Equitable Share	-	41 390 000	(41 390 000)	-	-	-
Finance Management Grant (FMG)	-	1 550 000	(897 826)	(652 174)	-	-
Municipal Infrastructure Grant (MIG)	-	19 754 000	(3 951 356)	(15 802 644)	-	-
Expanded Public Works Programme (EPWP)	-	1 413 000	(1 413 000)	-	-	-
Integrated National Electrification Programme (INEP)	-	3 000 000	-	(3 000 000)	-	-
<b>Total</b>	-	<b>67 107 000</b>	<b>(47 652 182)</b>	<b>(19 454 818)</b>	-	-
<b>PROVINCIAL GOVERNMENT</b>						
CDW Contribution	13 947	-	-	-	-	13 947
Western Cape Financial Management Support Grant	-	690 000	(690 000)	-	-	-
Proclaimed Roads	-	92 730	(92 730)	-	-	-
Regional Socio - Economic Project/Violence Prevention through Urban Upgrading	-	1 000 000	-	(1 000 000)	-	-
Library Services	-	7 255 000	(6 635 000)	(59 985)	-	560 015
Financial Management Capacity Building Grant	20 000	-	-	-	-	20 000
Local Government Graduate Internship Allocation	60 000	-	-	-	-	60 000
<b>Total</b>	<b>93 947</b>	<b>9 037 730</b>	<b>(7 417 730)</b>	<b>(1 059 985)</b>	-	<b>653 962</b>
<b>OTHER GRANT PROVIDERS</b>						
Cerebos Ltd	-	-	-	-	-	-
Heist op den Berg	105 523	634 275	(766 678)	-	26 880	-
Chieta	-	188 815	(188 815)	-	-	-
LG Seta	-	-	-	-	-	-
<b>Total</b>	<b>105 523</b>	<b>823 090</b>	<b>(955 493)</b>	-	<b>26 880</b>	-
<b>ALL SPHERES OF GOVERNMENT</b>	<b>199 470</b>	<b>76 967 821</b>	<b>(56 025 405)</b>	<b>(20 514 803)</b>	<b>26 880</b>	<b>653 962</b>

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATEd OUTCOME 2018 R
<b>Financial Performance</b>						
Property rates	67 181 877	-	67 181 877	67 799 813	617 936	62 606 570
Service charges	168 198 367	1 553 633	169 752 000	160 631 071	(9 120 929)	145 624 075
Investment revenue	5 118 750	20 000	5 138 750	6 202 756	1 064 006	6 729 330
Transfers and subsidies - operational	61 748 130	(2 857 029)	58 891 101	56 025 405	(2 865 696)	48 799 496
Other own revenue	26 479 442	(741 406)	25 738 036	36 326 439	10 588 403	31 694 019
<b>Total Operating Revenue (excluding capital transfers)</b>	<b>328 726 566</b>	<b>(2 024 802)</b>	<b>326 701 764</b>	<b>326 985 484</b>	<b>283 720</b>	<b>295 453 490</b>
Employee costs	125 026 679	(4 576 441)	120 450 238	123 486 307	3 036 069	111 580 828
Remuneration of councillors	6 377 666	(59 000)	6 318 666	6 262 498	(56 168)	5 822 315
Debt impairment	14 142 493	2 961 507	17 104 000	16 122 564	(981 436)	15 312 993
Depreciation and asset impairment	21 890 610	474 390	22 365 000	20 170 984	(2 194 016)	20 146 591
Finance charges	14 013 694	(448 704)	13 564 990	15 288 120	1 723 130	14 939 253
Bulk purchases	79 480 000	3 163 200	82 643 200	83 689 111	1 045 911	77 802 743
Other Materials	11 414 778	(132 811)	11 281 967	-	(11 281 967)	-
Contracted Services	24 447 442	(2 261 156)	22 186 286	16 280 561	(5 905 725)	16 113 307
Transfers and grants	5 280 520	50 000	5 330 520	5 322 700	(7 820)	4 150 106
Other expenditure	33 771 408	327 103	34 098 511	35 031 422	932 911	30 475 392
<b>Total Expenditure</b>	<b>335 845 290</b>	<b>(501 912)</b>	<b>335 343 378</b>	<b>321 654 267</b>	<b>(13 689 111)</b>	<b>296 343 528</b>
<b>Surplus/(Deficit)</b>	<b>(7 118 724)</b>	<b>(1 522 890)</b>	<b>(8 641 614)</b>	<b>5 331 217</b>	<b>13 972 831</b>	<b>(890 038)</b>
Transfers and subsidies - capital (monetary)	21 434 870	391 304	21 826 174	20 514 803	(1 311 371)	14 950 441
Transfers and subsidies - capital (in-kind)	-	-	-	700 000	700 000	1 893 582
<b>Surplus/(Deficit) for the year</b>	<b>14 316 146</b>	<b>(1 131 586)</b>	<b>13 184 560</b>	<b>26 546 020</b>	<b>13 361 460</b>	<b>15 953 985</b>
<b>Capital expenditure &amp; funds sources</b>						
Capital expenditure	45 663 870	193 804	45 857 674	41 608 511	(4 249 163)	31 083 047
Transfers recognised - capital	21 434 870	391 304	21 826 174	21 647 991	(178 183)	14 645 733
Public contributions & donations	10 000	-	10 000	-	(10 000)	1 893 582
Borrowing	6 950 000	-	6 950 000	6 411 726	(538 274)	4 475 854
Internally generated funds	17 269 000	(197 500)	17 071 500	13 548 793	(3 522 707)	10 067 879
<b>Total sources of capital funds</b>	<b>45 663 870</b>	<b>193 804</b>	<b>45 857 674</b>	<b>41 608 511</b>	<b>(4 249 163)</b>	<b>31 083 047</b>
<b>Cash flows</b>						
Net cash from (used) operating	42 303 104	270 791	42 573 895	31 550 382	(11 023 513)	22 498 224
Net cash from (used) investing	(45 663 870)	(193 804)	(45 857 674)	(40 079 174)	5 778 500	(28 384 721)
Net cash from (used) financing	2 957 341	(992 928)	1 964 413	2 030 932	66 519	1 741 971
Net Cash Movement for the year	(403 425)	(915 942)	(1 319 366)	(6 497 860)	(5 178 493)	(4 144 526)
Cash/cash equivalents at beginning of year	84 643 085	(6 707 121)	77 935 964	77 935 964	-	82 080 490

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Cash/cash equivalents at the year end

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84 239 660	(7 623 063)	76 616 598	71 438 104	(5 178 493)	77 935 964
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# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATEMENT OUTCOME 2018 R
<b>REVENUE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	31 026 863	137	31 027 000	31 020 000	(7 000)	26 360 919
Finance and administration	80 373 480	80 111	80 453 591	93 828 872	13 375 281	85 704 617
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	7 765 118	134 882	7 900 000	7 358 581	(541 419)	7 138 438
Sport and recreation	4 849 392	238 660	5 088 052	4 702 801	(385 251)	4 253 823
Public safety	5 719	(719)	5 000	-	(5 000)	1 754 650
Housing	7 042 318	(3 100 000)	3 942 318	-	(3 942 318)	-
<b>Economic and environmental services</b>						
Planning and development	22 204 575	30 425	22 235 000	23 189 245	954 245	3 597 777
Road transport	15 347 751	(1 116 049)	14 231 702	13 526 007	(705 695)	12 277 998
<b>Trading services</b>						
Energy sources	116 660 087	668 012	117 328 099	106 483 234	(10 844 865)	96 476 289
Water management	23 760 717	501 078	24 261 795	26 209 734	1 947 939	21 255 934
Waste water management	15 639 087	45 019	15 684 106	15 624 739	(59 367)	28 958 707
Waste management	25 486 329	884 946	26 371 275	26 257 074	(114 202)	24 518 359
<b>Total Revenue - Standard</b>	<b>350 161 436</b>	<b>(1 633 498)</b>	<b>348 527 938</b>	<b>348 200 287</b>	<b>(327 651)</b>	<b>312 297 511</b>
<b>EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	18 934 793	183 014	19 117 807	18 294 824	(822 983)	15 995 020
Finance and administration	65 663 291	1 368 774	67 032 065	63 455 971	(3 576 094)	61 277 323
Internal audit	1 233 838	(5 538)	1 228 300	1 186 953	(41 347)	1 427 504
<b>Community and public safety</b>						
Community and social services	8 991 841	(21 230)	8 970 611	8 306 208	(664 403)	7 540 473
Sport and recreation	18 870 185	(285 549)	18 584 636	17 543 172	(1 041 464)	13 873 303
Public safety	1 348 521	103 293	1 451 814	1 286 156	(165 658)	1 342 965
Housing	8 397 979	(3 085 615)	5 312 364	1 418 214	(3 894 150)	1 033 662
<b>Economic and environmental services</b>						
Planning and development	12 617 185	(732 287)	11 884 898	11 565 002	(319 896)	10 517 574
Road transport	46 307 184	(1 889 215)	44 417 969	44 360 170	(57 800)	39 229 281
<b>Trading services</b>						
Energy sources	95 778 308	2 774 602	98 552 910	96 985 140	(1 567 770)	91 328 267
Water management	20 731 252	(1 510 575)	19 220 677	18 865 820	(354 857)	18 536 000
Waste water management	13 140 049	601 902	13 741 951	9 512 220	(4 229 731)	9 043 651
Waste management	23 830 864	1 996 512	25 827 376	28 874 379	3 047 003	25 198 507
<b>Total Expenditure - Standard</b>	<b>335 845 290</b>	<b>(501 912)</b>	<b>335 343 378</b>	<b>321 654 228</b>	<b>(13 689 150)</b>	<b>296 343 529</b>

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Surplus/(Deficit) for the year

14 316 146	(1 131 586)	13 184 560	26 546 059	13 361 499	15 953 981
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# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
<b>REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)</b>						
<b>REVENUE</b>						
Vote 1 - Municipal Manager	31 446 863	137	31 447 000	31 440 000	(7 000)	26 780 919
Vote 2 - Finance	79 119 369	49 970	79 169 339	86 687 611	7 518 272	79 512 495
Vote 3 - Corporate Services	1 700 974	23 278	1 724 252	8 004 746	6 280 494	6 590 998
Vote 4 - Technical Services	204 537 899	2 148 750	206 686 649	198 073 125	(8 613 524)	175 774 365
Vote 5 - Community Services	33 356 331	(3 855 633)	29 500 698	23 994 806	(5 505 892)	23 638 734
<b>Total Revenue by Vote</b>	<b>350 161 436</b>	<b>(1 633 498)</b>	<b>348 527 938</b>	<b>348 200 287</b>	<b>(327 651)</b>	<b>312 297 511</b>
<b>EXPENDITURE</b>						
Vote 1 - Municipal Manager	24 745 441	(12 624)	24 732 817	23 598 251	(1 134 566)	20 832 264
Vote 2 - Finance	28 857 581	2 618 194	31 475 775	29 743 171	(1 732 604)	29 418 127
Vote 3 - Corporate Services	30 079 492	(1 300 003)	28 779 489	27 622 634	(1 156 855)	26 812 688
Vote 4 - Technical Services	192 931 583	2 768 233	195 699 816	192 017 789	(3 682 027)	179 100 180
Vote 5 - Community Services	59 231 193		54 655 481	48 672 383	(5 983 098)	40 180 270
<b>Total Expenditure by Vote</b>	<b>335 845 290</b>	<b>4 073 800</b>	<b>335 343 378</b>	<b>321 654 228</b>	<b>(13 689 150)</b>	<b>296 343 529</b>
<b>Surplus/(Deficit) for the year</b>	<b>14 316 146</b>	<b>(5 707 298)</b>	<b>13 184 560</b>	<b>26 546 059</b>	<b>13 361 499</b>	<b>15 953 981</b>

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
<b>REVENUE AND EXPENDITURE</b>						
<b>REVENUE BY SOURCE</b>						
Property rates	67 181 877	-	67 181 877	67 799 813	617 936	62 606 570
Service charges - electricity revenue	112 163 727	769 372	112 933 099	102 121 453	(10 811 646)	94 502 306
Service charges - water revenue	21 865 717	501 078	22 366 795	24 347 734	1 980 939	19 308 934
Service charges - sanitation revenue	12 906 225	31 881	12 938 106	12 876 092	(62 014)	12 070 710
Service charges - refuse revenue	21 262 698	251 302	21 514 000	21 285 792	(228 208)	19 742 125
Rental of facilities and equipment	908 391	159 239	1 067 630	5 830 400	4 762 770	5 319 490
Interest earned - external investments	5 118 750	20 000	5 138 750	6 202 756	1 064 006	6 729 330
Interest earned - outstanding debtors	4 284 800	-	4 284 800	7 390 157	3 105 357	6 843 064
Fines, penalties and forfeits	9 691 365	(1 323 365)	8 368 000	9 934 861	1 566 861	7 098 271
Licences and permits	11 437	(437)	11 000	-	(11 000)	-
Agency services	4 210 328	-	4 210 328	4 312 596	102 268	4 016 499
Transfers and subsidies - Operating	61 748 130	(2 857 029)	58 891 101	56 025 405	(2 865 696)	48 799 496
Other revenue	7 373 121	423 157	7 796 278	8 352 560	556 282	8 416 695
Gain on disposal of PPE	-	-	-	505 865	505 865	-
<b>Total Revenue (excl capital transfers)</b>	<b>328 726 566</b>	<b>(2 024 802)</b>	<b>326 701 764</b>	<b>326 985 484</b>	<b>283 720</b>	<b>295 453 490</b>
<b>EXPENDITURE BY TYPE</b>						
Employee related costs	125 026 679	(4 576 441)	120 450 238	123 486 307	3 036 069	111 580 828
Remuneration of councillors	6 377 666	(59 000)	6 318 666	6 262 498	(56 168)	5 822 315
Debt impairment	14 142 493	2 961 507	17 104 000	16 122 564	(981 436)	15 312 993
Depreciation and asset impairment	21 890 610	474 390	22 365 000	20 170 984	(2 194 016)	20 146 591
Finance charges	14 013 694	(448 704)	13 564 990	15 288 120	1 723 130	14 939 253
Bulk purchases	79 480 000	3 163 200	82 643 200	83 689 111	1 045 911	77 802 743
Other Materials	11 414 778	(132 811)	11 281 967	-	(11 281 967)	-
Contracted Services	24 447 442	(2 261 156)	22 186 286	16 280 561	(5 905 725)	16 113 307
Transfers and grants	5 280 520	50 000	5 330 520	5 322 700	(7 820)	4 150 106
Other expenditure	33 771 408	327 103	34 098 511	35 031 422	932 911	30 475 392
<b>Total Expenditure</b>	<b>335 845 290</b>	<b>(501 912)</b>	<b>335 343 378</b>	<b>321 654 267</b>	<b>(13 689 111)</b>	<b>296 343 528</b>
<b>Surplus/(Deficit)</b>	<b>(7 118 724)</b>	<b>(1 522 890)</b>	<b>(8 641 614)</b>	<b>5 331 217</b>	<b>13 972 831</b>	<b>(890 038)</b>
Transfers and subsidies - Capital (monetary)	21 434 870	391 304	21 826 174	20 514 803	(1 311 371)	14 950 441
Transfers and subsidies - Capital (in-kind)	-	-	-	700 000	700 000	1 893 582
<b>Surplus/(Deficit) for the year</b>	<b>14 316 146</b>	<b>(1 131 586)</b>	<b>13 184 560</b>	<b>26 546 020</b>	<b>13 361 460</b>	<b>15 953 985</b>

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
<b>CAPITAL EXPENDITURE</b>						
<b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b>						
<b>Multi-year expenditure</b>						
Vote 1 - Municipal Manager	-	-	-	-	-	-
Vote 2 - Finance	-	-	-	-	-	-
Vote 3 - Corporate Services	1 000 000	-	1 000 000	1 000 191	191	951 390
Vote 4 - Technical Services	7 982 812	464 293	8 447 105	8 692 945	245 840	1 445 371
Vote 5 - Community Services	908 000	(43 915)	864 085	846 910	(17 175)	578 982
<b>Total Multi-year expenditure</b>	<b>9 890 812</b>	<b>420 378</b>	<b>10 311 190</b>	<b>10 540 047</b>	<b>228 857</b>	<b>2 975 742</b>
<b>Single-year expenditure</b>						
Vote 1 - Municipal Manager	93 000	2 500	95 500	88 244	(7 256)	99 866
Vote 2 - Finance	844 174	-	844 174	734 624	(109 550)	1 283 524
Vote 3 - Corporate Services	1 138 000	41 000	1 179 000	1 866 378	687 378	236 508
Vote 4 - Technical Services	26 396 884	(316 989)	26 079 895	21 597 506	(4 482 389)	21 790 665
Vote 5 - Community Services	7 301 000	46 915	7 347 915	6 781 712	(566 203)	4 696 742
<b>Total Single-year expenditure</b>	<b>35 773 058</b>	<b>(226 574)</b>	<b>35 546 484</b>	<b>31 068 464</b>	<b>(4 478 020)</b>	<b>28 107 306</b>
<b>Total Capital Expenditure by Vote</b>	<b>45 663 870</b>	<b>193 804</b>	<b>45 857 674</b>	<b>41 608 511</b>	<b>(4 249 163)</b>	<b>31 083 047</b>
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	56 000	1 200	57 200	52 422	(4 778)	99 866
Finance and administration	4 399 174	-	4 399 174	3 537 323	(861 851)	1 584 544
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	985 000	(27 707)	957 293	397 275	(560 018)	909 503
Sport and recreation	6 365 000	15 561	6 380 561	6 334 872	(45 689)	794 438
Public safety	208 000	26 447	234 447	226 755	(7 692)	1 917 567
Housing	8 000	(542)	7 458	7 457	(1)	9 153
<b>Economic and environmental services</b>						
Planning and development	1 045 000	42 300	1 087 300	1 777 949	690 649	994 908
Road transport	6 861 000	497 191	7 358 191	7 452 321	94 130	5 432 814
<b>Trading services</b>						
Energy sources	5 266 696	391 304	5 658 000	5 928 676	270 676	1 639 050
Water management	6 305 000	(944 000)	5 361 000	1 083 070	(4 277 930)	1 839 330
Waste water management	13 063 000	192 050	13 255 050	13 410 271	155 221	13 264 557
Waste management	1 102 000	-	1 102 000	1 400 119	298 119	2 597 318
<b>Total Capital Expenditure - Standard</b>	<b>45 663 870</b>	<b>193 804</b>	<b>45 857 674</b>	<b>41 608 511</b>	<b>(4 249 163)</b>	<b>31 083 047</b>

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
<b>CAPITAL EXPENDITURE (CONTINUED)</b>						
<b>FUNDING SOURCES</b>						
National Government	19 162 696	391 304	19 554 000	20 041 970	487 970	13 413 427
Provincial Government	2 272 174	-	2 272 174	1 606 021	(666 153)	1 232 306
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>21 434 870</b>	<b>391 304</b>	<b>21 826 174</b>	<b>21 647 991.39</b>	<b>(178 183)</b>	<b>14 645 733</b>
Public contributions & donations	10 000	-	10 000	-	(10 000)	1 893 582
Borrowing	6 950 000	-	6 950 000	6 411 726	(538 274)	4 475 854
Internally generated funds	17 269 000	(197 500)	17 071 500	13 548 793	(3 522 707)	10 067 879
<b>Total Capital Funding</b>	<b>45 663 870</b>	<b>193 804</b>	<b>45 857 674</b>	<b>41 608 511</b>	<b>(4 249 163)</b>	<b>31 083 047</b>

# BERGRIVIER LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
<b>CASH FLOWS</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges	64 830 512	(335 910)	64 494 602	65 464 520	969 918	57 024 756
Service charges	162 311 425	650 495	162 961 920	147 981 876	(14 980 044)	138 835 803
Other revenue	14 223 501	(273 265)	13 950 236	14 375 603	425 367	18 292 524
Government - operating	61 748 130	(2 857 029)	58 891 101	56 453 018	(2 438 083)	48 553 535
Government - capital	21 434 870	391 304	21 826 174	20 514 803	(1 311 371)	14 950 441
Interest	9 253 582	(1 424)	9 252 158	6 202 756	(3 049 402)	6 729 330
<b>Payments</b>						
Suppliers and employees	(279 622 067)	2 696 621	(276 925 446)	(267 715 321)	9 210 125	(251 457 952)
Finance charges	(6 596 330)	-	(6 596 330)	(6 404 172)	192 158	(6 280 107)
Transfers and grants	(5 280 520)	-	(5 280 520)	(5 322 700)	(42 180)	(4 150 106)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>42 303 104</b>	<b>270 791</b>	<b>42 573 895</b>	<b>31 550 382</b>	<b>(11 023 513)</b>	<b>22 498 224</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	-	-	785 990	785 990	789 855
Decrease (increase) other non-current receivables	-	-	-	43 347	43 347	14 889
<b>Payments</b>						
Capital assets	(45 663 870)	(193 804)	(45 857 674)	(40 908 511)	4 949 163	(29 189 465)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(45 663 870)</b>	<b>(193 804)</b>	<b>(45 857 674)</b>	<b>(40 079 174)</b>	<b>5 778 500</b>	<b>(28 384 721)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing	6 950 000	-	6 950 000	6 950 000	-	6 080 000
Increase (decrease) in consumer deposits	133 926	-	133 926	200 445	66 519	183 377
<b>Payments</b>						
Repayment of borrowing	(4 126 585)	(992 928)	(5 119 513)	(5 119 513)	-	(4 521 406)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>2 957 341</b>	<b>(992 928)</b>	<b>1 964 413</b>	<b>2 030 932</b>	<b>66 519</b>	<b>1 741 971</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(403 425)</b>	<b>(915 942)</b>	<b>(1 319 366)</b>	<b>(6 497 860)</b>	<b>(5 178 494)</b>	<b>(4 144 526)</b>
Cash/cash equivalents at the year begin:	84 643 085	(6 707 121)	77 935 964	77 935 964	-	82 080 490
Cash/cash equivalents at the year end:	84 239 660	(7 623 063)	76 616 598	71 438 105	(5 178 493)	77 935 964

## REPORT OF THE PERFORMANCE AND AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### 1. INTRODUCTION

The Performance and Audit Committee is an independent statutory committee appointed by the Council in terms of section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

### 2. PERFORMANCE AND AUDIT COMMITTEE

#### 2.1 Members

During the period from 01 July 2018 to 30 June 2019, the Committee consisted of five members none of whom are councilors or officials of the Municipality. The Committee members were:

- Mrs. Kim Montgomery (Chairperson)
- Ms. Sharon Smith
- Mrs. R Gani
- Mr. Chris De Jager
- Mr. Burton van Staaden

#### 2.2 MEETINGS

The Committee met on the following dates during the year under review:

DATE/ MEMBER	28 AUG 2018	06 DEC 2018	20 MAR 2019	21 JUN 2019
Mrs. Kim Montgomery	Yes	Apology	Yes	Yes
Ms. Sharon Smith	Yes	Yes	Apology	Yes
Mrs. R Gani	Yes	Yes	Apology	Yes
Mr. Chris De Jager	Yes	Yes	Yes	Yes
Mr. Burton van Staaden	Yes	Yes	Yes	Yes

#### 2.3 PERFORMANCE AND AUDIT COMMITTEE ROLE AND RESPONSIBILITIES

The Committee was fully functional and fulfilled its responsibilities for the year under review. The Committee operated in accordance with the adopted Performance and Audit Committee Charter, which was approved by Council. The provisions contained in section 166 of the Local Government: Municipal Finance Management Act, 2003 and Internal Audit Framework, which was developed by National Treasury, are included in the Charter.

### 3. PERFORMANCE MANAGEMENT

In terms of paragraph 4(a) of the Municipal Planning and Performance Management Regulations of 2000, the Performance and 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 that municipality; and
- (iii) at least twice during a financial year submit an audit report to the municipal council concerned.

During the 2018/2019 financial year the committee reviewed all the quarterly performance reports. The Chairperson of the committee (Mrs K Montgomery) as well as the performance

specialist (Mrs R. Gani) attended the formal performance evaluations of the Municipal Manager and Directors.

#### **4. REPORTS REVIEWED FOR THE PERIOD 01 JUL 2018 TO 30 JUN 2019**

The Committee has reviewed the following reports the period under review:

1. Quarterly Performance Management (X4)
2. Inventory (2 X memo's and 1 stock take report)
3. Operation Clean Audit monitoring reports
4. Eonomia Compliance (X4)
5. DORA
6. Purchases: Occupational Health and Safety Clothes and Equipment.
7. Supply Chain management: Purchases under R30 000
8. Issuing of Liquor Licenses
9. Expenditure Management (Petty Cash, Creditors, Ad-Hoc Payments)
10. Maintenance on Proclaimed Main Roads
11. Payroll: Third Party Payments
12. Maintenance on vehicles
13. Fuel. Issuing and recordkeeping of fuel. Monitoring and usage of fuel

#### **AD-HOC REQUESTS FOR THE 2018/2019 FINANCIAL YEAR:**

14. I/S Korrupsie Meentgrond
15. MSCOA Self-Assessment
16. Tydelike aanstelling: Arbeidsverhoudingebestuurder
17. Compliance with Minimum Competency Requirements
18. Petty-Cash Incident: Velddrif
19. Library Incident: Velddrif

#### **5. POLICIES REVIEWED FOR THE 2018/2019 FINANCIAL YEAR:**

1. Internal Audit Charter
2. Internal Audit Strategy and Work Procedures
3. Performance and Audit Committee Charter
4. Anti-Fraud and Corruption Policy
5. All Risk Management Policies
6. Combined Assurance Implementation Plan
7. Quality Assurance Improvement policy

#### **6. EFFECTIVENESS OF THE INTERNAL AUDIT DEPARTMENT**

Legislation in South Africa requires the establishment, roles, and responsibilities of internal audit units. Internal audit units form part of the internal control and governance structures of the municipality and play an important role in its monitoring activities. Internal audit provides an independent assessment of the municipality governance, risk management and internal control processes.

The internal audit unit of a municipality must prepare a risk-based audit plan and internal audit programme for each financial year. It must advise the accounting officer and report to the audit committee on implementing the internal audit plan and matters relating to internal audit; internal controls; accounting procedures and practices; risk and risk management; performance management; loss control and compliance with the MFMA. The internal audit unit must also perform such other duties as may be assigned by the accounting officer.

No deficiencies have been identified in this regard

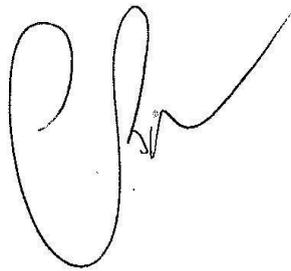
#### **7. 2018/2019 DRAFT ANNUAL FINANCIAL STATEMENTS**

The Committee had an opportunity to review the 2018/2019 draft annual financial statements on 28 August 2019.

#### **8. REPORT OF THE AUDITOR GENERAL FOR THE 2018/2019 FINANCIAL YEAR**

The Audit Committee has taken note of the Auditor General's report for the 2018/2019 financial year and will together with the municipal administration endeavor to ensure that all internal controls deficiencies are addressed as soon as possible

The Performance and Audit Committee has at all times acted independently during its engagements with the officials and Councilors of the municipality.



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**C de Jager**  
**Chairperson: Performance and Audit Committee**