

ANNEXURE A

CAPE WINELANDS DISTRICT MUNICIPALITY

2022/2023 ANNUAL REPORT



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

2022/2023 ANNUAL REPORT





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ABBREVIATIONS

Abbreviation	Description
AEL	Atmospheric Emission Licence
AIDS	Acquired Immune Deficiency Syndrome
AQMP	Air Quality Management Plan
AQO	Air Quality Officer
CAE	Chief Audit Executive
CWDM	Cape Winelands District Municipality
CWDMC	Cape Winelands Disaster Management Centre
CW-RSEDS	Cape Winelands Regional Socio-Economic Development Strategy
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
FARMCO	Fraud and Risk Management Committee
GRAP	Generally Recognised Accounting Practice
HIV	Human Immunodeficiency Virus
IDRR	International Day for Risk Reduction
IDP	Integrated Development Plan
IT	Information Technology
JOC	Joint Operations Centre
KPI	Key Performance Indicator
MFMA	Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MSA	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
NEMA	National Environmental Management Act, 1998 (Act No. 107 of 1998)
NGO	Non-governmental organisation
PTIG	Public Transport Infrastructure Grant
PTNOG	Public Transport Network Operation Grant
SALGA	South African Local Government Association



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SANS	South African National Standards
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small, medium and micro-sized enterprise
SPLUMA	Spatial Planning Land Use Management Act, 2013 (Act No. 16 of 2013)
WCG	Western Cape Government
WCG: DEA&DP	Western Cape Government: Department of Environmental Affairs and Development Planning
WCG: DSD	Western Cape Government: Department of Social Development
WCG: DLG	Western Cape Government: Department of Local Government
WCG: DT&PW	Western Cape Government: Department of Transport and Public Works
QCTO	Quality Council for Trades and Occupations

Map of Cape Winelands District



CHAPTER 1 - INTRODUCTION

1.1 EXECUTIVE MAYOR'S FOREWORD



Dear Cape Winelands Resident

It is with great pride and humility that I present the Annual Report of the Cape Winelands District Municipality for the 2022/2023 financial year. This report serves as a testament to the collective efforts and achievements of our municipality in the pursuit of progress, prosperity, and community wellbeing.

Over the course of the financial year, we have faced unique challenges that tested our resilience and adaptability as a municipality. However, amidst these challenges, our commitment to serving the needs of our diverse communities has remained unwavering. We have strived to meet the expectations of our residents and to deliver on our promises with determination and dedication.

In this report, we showcase the outcomes of our collective endeavours across various departments. From infrastructure development and financial resilience to social empowerment and environmental sustainability, we have worked tirelessly to make a positive impact on the lives of our residents.

We have received ten consecutive 'clean audits', which illustrates the dedication of all officials to diligently deliver services in order to build a Unified Cape Winelands of Excellence. Our commitment to sound financial management and accountability has been a guiding principle in all our initiatives. We recognise the importance of responsible governance, and under my leadership will ensure that we utilise our budget in an effectively and transparent manner.

We acknowledge that none of our achievements would have been possible without the unwavering support and cooperation of our dedicated Cape Winelands District Municipality team and valued stakeholders. I extend my heartfelt appreciation to our municipal officials, councillors, community leaders, and all partners who have played an indispensable role in driving progress in our district.

I also want to express my gratitude to the residents of the Cape Winelands District Municipality. Your trust and engagement during our Mayoral Mondays and processes during public participation meetings have been instrumental in shaping the Integrated Development Plan that informed our budget policies and programmes to meet the evolving needs of our communities.

As we celebrate our achievements, we are mindful of the challenges that our residents face daily, such as the ever-rising cost of living and ongoing load shedding affecting our economy and ordinary households. I am, however, confident that by fostering a spirit of collaboration and continuous innovation, we will overcome any obstacles and continue to create a dignified



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life for all. The CWDM remains committed to play its role in mitigating the negative impact of load shedding on community safety, economic growth and investor confidence on our district. We are continuously working on measures to ensure our residents get the services they deserve through a working Joint District and Metro Approach (JDMA) and a Whole of Society Approach (WOSA) as part of our commitment.

This annual report reflects our commitment to transparency, accountability through a whole of society approach, and inclusive governance. It provides an opportunity to share our successes, learn from our experiences, and set a direction for bold steps to continue growth and dignity for all. Our district is widely respected and valued for rendering services within our mandate and we will continue to build on this.

I encourage all stakeholders to read this report and gain insights into our journey. Together, let us forge ahead with renewed determination and a shared vision of 'A unified Cape Winelands of excellence for sustainable development'.

Thank you for your unwavering support and trust in our political leadership. Together, we will build a stronger community for generations to come.

ALD (DR) HELENA VON SCHLICHT
EXECUTIVE MAYOR

1.2 MUNICIPAL MANAGER'S FOREWORD

Dear Reader,

It is with pleasure that I present this report, my fifth since joining the Cape Winelands District Municipality (CWDM) in 2017. The year 2022/23 will always be remembered as the year that 'things returned to normal.' The 'new normal' referred to during 2021/22 began to fade as we returned to activities. However, it was only in 2022/23 that the true cost of the pandemic, and its impact on our economy and citizens became fully apparent.

A few months into the 2022/23 financial year, I heard a colleague mention that he told the manager of a guest house he was staying at that he was impressed that it was so full. The manager, however, corrected him, "well, it's not that our town is so full, it's that we lost around 400 guest beds during the pandemic!"

When one translates those 400 beds into income and job creation, the loss is astronomical.

Ladies and gentlemen, keep in mind that this is not only the loss of income for the directly employed staff of the establishment but also the loss of income for the affiliated businesses, such as laundry services, restaurants, and the businesses that supply both, and so on. The ripple effect of those lost beds is almost never-ending.

These challenges required the CWDM to respond with agility while building our resilience in the face of the dire economic situation. In the pages that follow, you will find that responding to the needs of our citizens is a central theme in all that we do; it is, in essence, the reason for our existence.

As you consider the contents of this report, you will see that good governance has been applied. This is evidenced not only through the awarding of our 10th Audit opinion with no findings, the so-called 'clean audit,' but also in our outcomes. We continue to serve our citizens in a manner that ensures their participation and consensus; this is the public participation process in which we engage annually. Through the effective and efficient application of our resources, we aim to meet the needs expressed by our citizens while remaining accountable, transparent, and, above all, responsive. Our management team applies good governance, and in so doing, minimises the opportunity for corruption while considering the most vulnerable in our communities and planning to address the present and future needs of the whole of our society.

In my capacity as municipal manager, I identified focus areas to guide the planning and implementation of our projects. These areas include the effective management and maintenance of our infrastructure from where we can deliver our mandated services. An area in which we have shown great progress is the establishment of an environment that is conducive to economic growth. This area not only refers to the role of the CWDM in supporting local businesses through our procurement systems or through funding but also refers to relationship building and seeking out those who wish to and can invest in the district.

When we do our jobs and deliver excellent Municipal Health, Fire, and Disaster Services (among others), the district is attractive to investors as it assures them that their investment can access responsive services. To enhance investor attraction even further, the CWDM





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attends trade shows, not only in South Africa but internationally too. Our presence on these platforms helps stimulate the tourism and hospitality industry, which after agriculture, is the biggest generator of jobs in the Cape Winelands District.

Our financial statements, when compared to the various projects, will show that we are optimising our resources through efficient management. This means that we are ensuring that we serve our citizens while being aware that service delivery is possible only when we are financially sound.

We have engaged directly with our communities on many forums, including the successful hosting of our Mayoral Mondays where community members are invited to attend information sessions. The CWDM makes use of every opportunity to enhance community awareness. Several awareness campaigns highlighting, among other issues, the role that illegal dumping of waste has on the economic development of a community, the importance of hygiene, fire prevention, and disaster awareness were held during the year. Through our partnership with Santam, we were able to distribute smoke alarms to hundreds of homes in informal settlements, by ensuring the early detection of a fire, many homes are saved from the devastation of fire.

However, financial contribution is not the only way in which the CWDM can assist. The building of partnerships and maintaining those relationships are enablers of economic growth. It happens sometimes that all a small business needs to move to the next level is for the owners to get a foot in the door. We have, over the past financial year, been in the position to, through our networking systems, assist a few SMMEs by putting them in contact with organisations that can guide them. It is particularly satisfying to see a small business grow and flourish.

Readers, the current climate is not easy; I need not list all the challenges; they are the same for all of us. And yet, there are many pockets of excellence here in the Cape Winelands District. These pockets do not appear out of nowhere; they are the result of passion and hard work. The Cape Winelands District is home to exceptional people with incredible talent and great passion for what they do. All we need to do is to join all these pockets of excellence together!

As the Accounting Officer of this municipality, I would like to express my sincere appreciation towards our Executive Mayor, Ald. (Dr) von Schlicht, for her dedication, political guidance, and her genuine social development heart. Furthermore, thank you to the council, Senior Management team and all officials for their dedication and positive attitude.

HENRY PRINS
MUNICIPAL MANAGER

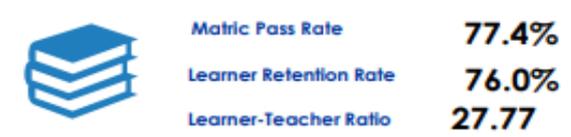
1.3 MUNICIPAL DEMOGRAPHICS: AN OVERVIEW

Cape Winelands District: At a Glance

Demographics Population Estimates, 2023; Actual households, 2022



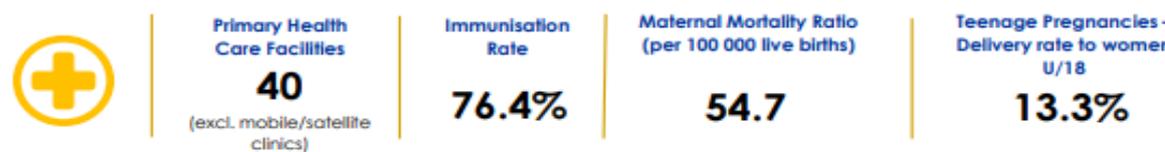
Education 2022



Poverty 2022



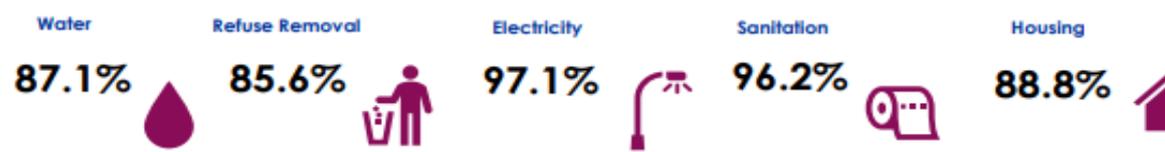
Health 2022/23



Safety and Security Actual number of reported cases in 2022/23



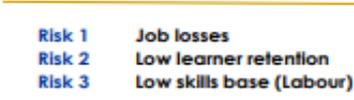
Access to Basic Service Delivery Percentage of households with access to basic services, 2022



Labour 2022



Socio-economic Risks



Largest 3 Sectors Contribution to GDP, 2021





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1.4 MUNICIPAL OVERVIEW – FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW – 2022/2023			
R' 000			
Details	Approved Budget	Final Budget	Actual
Income			
Grants (Operational)	257.711.131	257.711.131	256.947.947
Taxes, levies and tariffs	-	-	-
Other	201.669.372	201.669.372	193.343.541
Sub-total	459.380.503	459.380.503	450.291.488
Less Expenditure	-459.380.503	-459.380.503	-400.541.254
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2.123.365	2.123.365	816.856
Transfers and subsidies - capital (in-kind)	-	-	-
Net Total	2.123.365	2.123.365	50.567.090

1.5 MUNICIPAL OVERVIEW – ORGANISATIONAL DEVELOPMENT

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

The Regional TASK Job Evaluation Unit established under the leadership of the CWDM, which includes participating municipalities within the area of jurisdiction of the CWDM, evaluated a total of 418 posts during the period 1 July 2022 to 30 June 2023, which were subsequently submitted to the SALGA Provincial Audit Committee.



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

During the 2022/2023 financial year, the following new and revised policies were developed. All the policies were circulated to the extended management team and to labour for their input. The policies below were approved by Council at Item C.15.1 on 26 January 2022, C.21.1 on 25 April 2023 and at Item C.15.3 on 25 May 2023 respectively:

1. Revised Telecoms and Cellular Phone Allowance Policy
2. Substance Abuse Policy
3. Revised Employee Study Aid and Leave Policy
4. Revised Recruitment and Selection Policy
5. Revised Overtime Policy
6. Employment Equity Policy
7. Scarce Skills and Retention Policy
8. Secondment and Transfer Policy



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CHAPTER 2 – GOVERNANCE

COMPONENT A: INTRODUCTION TO GOVERNANCE

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

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

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

Section 79 Committees of the CWDM consist of the following:

- Rules Committee; and
- Municipal Public Accounts Committee (established in terms of section 79A of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), as amended by Act 3 of 2021).

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

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

- Training Committee;
- Local Labour Forum; and
- Employment Equity Committee

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

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



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

AUDIT AND PERFORMANCE COMMITTEE

Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) states that “*each municipality and each municipal entity must have an audit committee*” and section 166(4)(a) of the MFMA states that “*an audit committee must consist of at least three persons with appropriate experience*”. The Audit and Performance Committee of the CWDM is an independent advisory body and currently consists of four members from the private sector who have been appointed by Council. With reference to the CWDM Audit Charter, the Audit and Performance Committee assists the Council by providing inputs to ensure effective systems that complement service delivery, the safeguarding of municipal assets, the maintenance of financial records, risk management, information technology (IT) governance, effective corporate governance, and an effective internal control system. The Audit and Performance Committee also investigates matters within the scope of the committee’s duties, if referred by Council.

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

POLITICAL STRUCTURE



Ald (Dr) H von Schlicht
Executive Mayor



Ald M Sampson
Executive Deputy Mayor



Ald DD Joubert
Speaker



Cllr JHP Steyn
Portfolio Holder:
Economic Development



Cllr D Swart
Portfolio Holder:
Sports, Arts and Culture



Ald C Meyer
Portfolio Holder:
Disaster Management



Cllr XL Mdemka
Portfolio Holder:
Municipal Health



Ald R Farao
Portfolio Holder:
Fire Services



Cllr WC Petersen
Portfolio Holder:
Rural and Social Development



Cllr E Groenewald
Portfolio Holder:
Corporate Services



Cllr GJ Carinus
Portfolio Holder:
Infrastructure Services



Cllr WM Blom
Whip of Council

COUNCILLORS

1 JULY 2022 TO 30 JUNE 2023

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

Attached as Appendix A is a full list of Councillors.

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



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POLITICAL DECISION MAKING

1 JULY 2022 TO 30 JUNE 2023

Number of Council resolutions:	110 (all resolutions implemented)
Number of Mayoral Committee resolutions:	Ordinary meetings – 78
Number of Mayoral Committee resolutions:	Confidential meetings – 17
Number of Mayoral Committee resolutions not tabled before Council:	None

ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager primarily serves as chief custodian of service delivery and ensures the implementation of political priorities. During the 2022/2023 financial year, the Municipal Manager provided strategic and management leadership in various fields and projects.

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

The Municipal Manager identified the following focus areas:

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

Community participation in municipal decision making is of utmost importance and the Municipal Manager encouraged and created conditions for the local community to participate in the affairs of the district municipality through Integrated Development Plan (IDP) forums and meetings. During the 2022/2023 financial year, all Section 56 positions were filled. Interaction, as well as the ability to work with Section 56 appointees as an efficient management team, provided professional leadership, proving once again that the district municipality's human resources are our greatest asset. Interaction with the Executive Mayor and Portfolio Councillors has resulted in an effective governing body providing sound political leadership, which is essential for successful local governance.

The Municipal Manager had also developed a culture of municipal governance that

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complements formal representative government with a system of participatory governance. As such, participation is required in terms of the:

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

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

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

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

In terms of section 83(1) of the MFMA, the Municipal Manager, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. In view of the aforementioned, the Municipal Manager ensured that the necessary training was arranged for the officials of the district municipality in order to meet the competency levels prescribed in the regulations. The MSA and the Local Government: Municipal Planning and Performance Management Regulations, 2001 require municipalities to adopt a performance management system. Once the IDP and budget were prepared and approved, the Municipal Manager ensured that the district municipality had prepared its Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates performance targets and financial performance targets, and assigns responsibility to execute the respective performance targets. The district municipality assessed its performance on a regular basis and reported progress on performance against set targets to Council on a quarterly basis and ultimately presents the annual performance results in this Annual Report.

TOP ADMINISTRATIVE STRUCTURE



Mr HF Prins
Municipal Manager



Mr PA Williams
Executive Director:
Community Development and
Planning Services



Mr F van Eck
Executive Director:
Technical Services



**Ms FA du Raan-
Groenewald**
Chief Financial Officer



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COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

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

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

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

INTERGOVERNMENTAL RELATIONS

The CWDM actively participates in national, provincial, inter-district and local intergovernmental structures and takes part in the agenda-setting process to ensure participation. In this regard there are both direct and indirect engagement on a political and senior management level.

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

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

RELATIONSHIPS WITH MUNICIPAL ENTITIES

No municipal entities.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

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

- Mayoral Mondays where citizens and stakeholders were invited to, were held in all five local municipalities in the district.
- Posted public invitations on various social media platforms such as Facebook.
- Advertisements were placed in various local newspapers across the district.
- IDP- and budget-related documents were placed on the municipal website.
- Radio interviews (local radio stations) were held to involve the community in the process.

PUBLIC MEETINGS

Communication, participation and forums

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

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

WARD COMMITTEES

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



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CWDM IDP/BUDGET Road Map for Public Participation 2022/23

MUNICIPALITY	VENUE	Public Participation DATES	IDP/Budget Consultation DATES
PUBLIC PARTICIPATION			
Stellenbosch	IDP Public Participation Period		IDP & Budget Public Participation Period
	Wednesday, 7 September – Wednesday, 28 September 2022		Monday, 3 April – Monday, 24 April 2023
	IDP Area Based Hybrid Public Participation Meetings		IDP & Budget Area Based Physical Public Participation Meetings
	Wards 1, 2, 3, 4	Monday, 19 September 2022	Wednesday, 12 April 2023 - Tuesday, 18 April 2023
	Wards 5, 6, 16, 17	Tuesday, 20 September 2022	
	Wards 12, 13, 14, 15, 18 and 19	Wednesday, 21 September 2022	
	Wards 7, 8, 9, 10, 11, 20, 21, 22 & 23.	Thursday, 22 September 2022	
Online IDP Stakeholder Engagement			
Thursday, 6 October 2022		Thursday, 20 April 2023 (tbc)	
Drakenstein	Wards	Sept – Nov 2022	4 – 26 April 2023
Witzenberg	Wards	Sept – Nov 2022	April 2023
Breede Valley	Wards	Sept – Nov 2022	11 – 20 April 2023
Langeberg	Wards	15 Sept 2022 – 6 October 2022	April 2023
DISTRICT CONSULTATION MEETINGS			
CWDM Public Participation Meetings	Mayoral Mondays		
	Area	Date	
	Langeberg	5 September 2022	
	Witzenberg	3 October 2022	
	Breede Valley	7 November 2022	
	Drakenstein	20 February 2023	
Stellenbosch	27 February 2023		
CWDM IDP/Budget Consultation Meetings	Social media, website, offices and per email.	April 2023	

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

IDP PARTICIPATION AND ALIGNMENT

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



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COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Through corporate governance, the CWDM converges funds and builds relationships with various stakeholders to determine its mission and vision, with the goal of optimising resources to promote accountability and cost-effective services to the public. In view of the fact that corporate governance determines the success or failure of a municipality, the CWDM closely monitors its business principles through policy guidelines, risk management and political oversight to ensure compliance with the purpose of obtaining a clean audit.

RISK MANAGEMENT

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

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

The Fraud and Risk Management Committee (FARMCO) is guided by a Terms of Reference (ToR), which is in compliance with the MFMA. The CWDM's FARMCO consists of the Municipal Manager, Executive Directors and one independent member, currently the Chairperson of the Audit and Performance Committee.

During the 2022/2023 financial year, the unit was responsible for risk management awareness, facilitating quarterly reviews and updating risk registers. Although the Deputy Director: Performance and Risk Management is responsible for the coordination of risk management in the organisation, management took ownership of risks and the mitigation thereof.

ANTI-CORRUPTION AND FRAUD

Fraud and Anti-Corruption Strategy

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

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

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



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SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management (SCM)

Prescribed SCM processes and procedures are in place and maintained, as per sections 110 to 119 of the MFMA and the Supply Chain Management Regulations, 2005. The Supply Chain Management Policy was initially adopted on 23 January 2006, and was revised for a ninth time on 6 February 2023. It is fully compliant with National Treasury's prescripts.

In order to continue to fulfil the needs identified in the CWDM's Integrated Development Plan (IDP) together with an enhanced demand management planning process, an annual procurement plan in respect of the 2023/2024 budget was compiled in the third quarter of the 2022/2023 financial year. The plan contains key target dates for each planned procurement initiative and was approved by Council during the approval of the final 2023/2024 Annual Budget. In addition to this, the municipality introduced an initiative that is a concept of an Operational Business Plan that outlines the procurement activities and spending targets intended during the coming financial year.

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

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

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

LEGAL SERVICES

Refer to Appendix 1 for more detail.

INTERNAL AUDIT

Refer to Appendix 1 for more detail.

IDP, PERFORMANCE AND RISK MANAGEMENT

Refer to Appendix 1 for more detail.

COMMENT ON BY-LAWS

No new by-laws were promulgated.

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

3.1 INTRODUCTION

3.1.1 Predetermined objectives

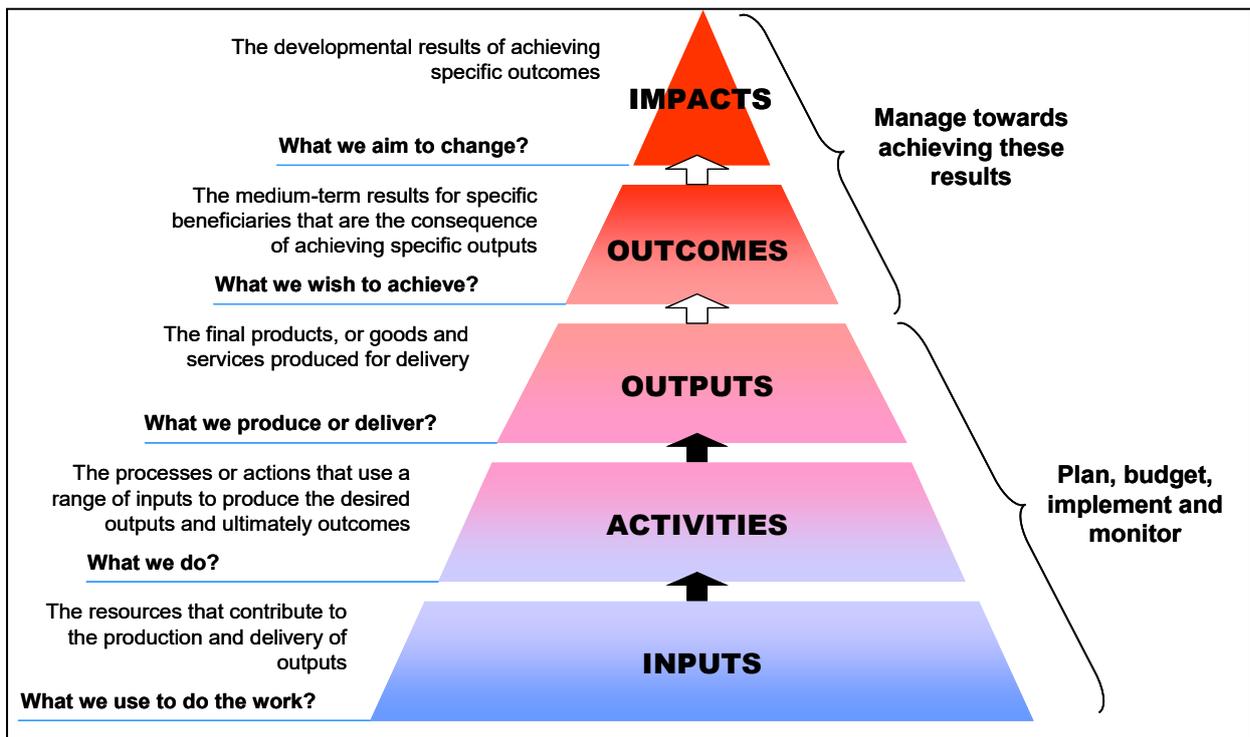
As a point of departure, it is the duty of a municipality to establish, develop and maintain a sound performance management system as prescribed in terms of sections 38 to 40 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA). In terms of section 46(1)(a) to (c) of the MSA, a municipality must for each financial year prepare a performance report reflecting on (a) the performance of the municipality and of each external service provider during that financial year; (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and (c) measures taken to improve performance. The core components that underscore the performance management system established by the municipality, as prescribed by section 41 of the MSA, are integral to the information reported upon by the municipality. Furthermore, the reflection of the key performance indicators and performance targets in the Integrated Development Plan is prescribed in terms of section 26(i) and is aligned to the predetermined objectives as reflected in the approved 2022/2023 – 2026/2027 IDP.

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

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

3.1.2 Framework for managing performance information: Key concepts

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



3.1.3 Planning, budgeting and reporting

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

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

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3.1.4 Financial performance per strategic objective

The tables detailed below provide an overview of the operating, capital and project budget amounts at an SO level for 2021/2022 (budget and actual); 2022/2023 (budget and actual) and 2023/2024 (budget).

Operating Budget					
SO	2021/2022 Budget	2021/2022 Actual	2022/2023 Budget	2022/2023 Actual	2023/2024 Budget
1	R 148.565.662	R 134.251.152	R 160.042.653	R 139.064.781	R 165.653.671
2	R 147.103.662	R 130.732.905	R 170.209.174	R 151.171.573	R 175.401.156
3	R 124.506.016	R 112.888.738	R 129.128.676	R 110.304.896	R 134.129.614
Total	R 420.175.340	R 377.872.795	R 459.380.503	R 400.541.250	R 475.184.441

Capital Budget					
SO	2021/2022 Budget	2021/2022 Actual	2022/2023 Budget	2022/2023 Actual	2023/2024 Budget
1	R 6.919.827	R 1.031.287	R 14.307.003	R 12.232.579	R 35.397.117
2	R 6.261.555	R 622.661	R 15.413.164	R 7.211.624	R 69.866.700
3	R 2.325.597	R 1.479.454	R 1.367.164	R 1.291.861	R 2.405.100
Total	R 15.506.979	R 3.133.402	R 31.087.331	R 20.736.064	R 107.668.917

Project Budget					
SO	2021/2022 Budget	2021/2022 Actual	2022/2023 Budget	2022/2023 Actual	2023/2024 Budget
1	R 13.931.138	R 12.631.392	R 15.507.678	R 13.887.009	R 17.610.952
2	R 3.335.500	R 1.298.386	R 8.634.500	R 4.792.130	R 9.833.000
3	R -	R -	R -	R -	R -
Total	R 17.266.638	R 13.929.778	R 24.142.178	R 18.679.138	R 27.443.952

3.2 SUMMARY OF CAPE WINELANDS ORGANISATIONAL KEY PERFORMANCE INDICATORS

2021/2022

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

2022/2023

SO	Original number of KPIs	Number of KPIs post-adjustment	Zero performance	Under-performance	Achieved and overachieved	Delivery as a percentage 2022/2023
1	12	11	0	2	9	82%
2	12	11	1	5	5	45%
3	19	19	1	5	13	68%
Total	43	41	2	12	27	66%

3.2.1 Cape Winelands District organisational key performance indicators

The organisational KPIs were revised during the Adjustment Budget that took place in February 2023. At the mentioned Adjustment Budget, the following changes were made:

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

3.2.2 Cape Winelands District detailed organisational key performance indicators

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

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

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

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2021/2022 Target	2021/2022 Actual	2022/2023 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
1.1	1.1.1	To administer an effective environmental health management system in order to achieve the environmental health objectives set.	1.1.1.1	Monthly report to WCG on all MHS matters by the 15th of the following month (Sinjani report).	12	12	12	12	Target achieved
	1.1.2	To facilitate effective environmental pollution control through identification, evaluation and/or monitoring to prevent air pollution.	1.1.2.1	Submission of the annual Air Quality Officer Report to WCG.	1	1	1	1	Target achieved
	1.1.3	To improve the livelihoods of citizens in the Cape Winelands District.	1.1.3.1	Number of water and/or sanitation subsidies granted to citizens in the Cape Winelands District.	20	15	20	14	<p><u>Performance comments:</u> Target underachieved.</p> <p>Water and Sanitation Subsidy claims are declining as a result of approved applicants' failure to complete their building projects, which has a direct impact on the proposed targets.</p> <p><u>Corrective measures:</u> To rectify the process, more follow-up calls will be made and we will attempt to do reallocation earlier to landowners who will be in a position to install additional units.</p>
1.2	1.2.1	To coordinate an effective disaster management division in order to achieve the disaster management objectives set.	1.2.1.1	Number of bi-annual Disaster Management Advisory Forums held.	2	2	2	2	Target achieved
1.3	1.3.1	Effective planning and coordination of specialised firefighting services.	1.3.1.1	Pre-fire season and post-fire season reports submitted to Council for consideration for approval.	2	2	2	2	Target achieved
	1.3.2	Build firefighting capacity.	1.3.2.1	Number of officials trained by the CWDM Fire Services Academy.	20	22	40	201	<p><u>Performance comments:</u> Target overachieved.</p> <p>More officials registered than anticipated.</p>
1.4	1.4.1	To fulfil a coordinating role in terms of town and regional planning within the Cape Winelands District.	1.4.1.1	Annual review of CWDM's SDF, submitted to Council for consideration for approval.	1	1	0	0	<p><u>Performance comments:</u> Target adjusted at the Adjustment Budget in February 2023.</p>

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	1.4.2	Implement environmental management activities to achieve environmental sustainability.	1.4.2.1	Number of hectares cleared through the EPWP Invasive Alien Vegetation Management Project.	2 550	2 550.63	2 390	2 447.81	<p><u>Performance comments:</u> Target overachieved.</p> <p>The bulk of the sites that were prioritised for the financial year was 'follow-up' project sites. Follow-up project sites cost less to clear and are larger in hectares. Follow-up project sites are a consolidation of initial project sites. The site costs less to clear due to age the age and density of alien vegetation.</p>
	1.4.3	To fulfil a coordination role in terms of Economic and Tourism Development within the Cape Winelands District.	1.4.3.1	Number of LTA Forums coordinated by the CWDM.	4	4	4	4	Target achieved
			1.4.3.2	Number of LED Forums coordinated by the CWDM.	4	4	4	4	Target achieved
1.5	1.5.1	To improve the livelihoods of citizens in the Cape Winelands District.	1.5.1.1	Number of ECD centres supported by the CWDM.	40	40	35	34	<p><u>Performance comments:</u> Target underachieved due to compliance issues concerning ECDs.</p> <p><u>Corrective measures:</u> To rectify, CWDM will be in close communication earlier during the year with stakeholders to ensure that they comply.</p>
			1.5.1.2	Number of youths who complete the skills development project.	11	11	11	24	<p><u>Performance comments:</u> Target overachieved.</p> <p>There was a strong demand from stakeholders to train more interns within our budget parameters.</p>

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Strategic objective two: Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2021/2022 Target	2021/2022 Actual	2022/2023 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
2.1	2.1.1	Roll-out and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the Western Cape Department of Transport and Public Works.	2.1.1.1	Conclude the annual MOA or addendum with WGC.	1	1	1	1	Target achieved
			2.1.1.2	Kilometres of roads re-sealed.	-	-	0	0	Performance comments: Target adjusted at Adjustment Budget in February 2023.
			2.1.1.3	Kilometres of roads bladed.	5 000	5 466.70	5 000	4 903.99	Performance comments: Target underachieved due to the transfer of resources caused by flood damage. Corrective measures: Going forward, blading will be augmented by additional plant and equipment hire.
			2.1.1.4	Kilometres of roads re-gravelled.	12	15.64	4.5	2.18	Performance comments: Target underachieved due to the transfer of resources caused by flood damage. Corrective measures: Going forward, re-gravelled capacity will be built.
2.2	2.2.1	Coordinate and improve the planning of infrastructure services in the Cape Winelands District.	2.2.1.1	Annual review, and alignment with review outcome, of the IWMP and submit to Council for consideration for approval.	1	1	1	0	Performance comments: Target underachieved due to the item only being tabled at the MAYCO in June 2023. Corrective measures: Item will be tabled at Council in the new financial year.
2.3	2.3.1	Improve pedestrian safety throughout the Cape Winelands District.	2.3.1.1	Annual review, and alignment with review outcome, of the DITP and submit to Council for consideration for approval.	0	0	1	1	Target achieved
			2.3.1.2	Number of sidewalks and/or embayments and/or bus shelters completed or upgraded.	0	0	2	2	Target achieved
2.4	2.4.1	To improve infrastructure services for citizens in the Cape Winelands District.	2.4.1.1	Percentage of project budget spent on rural projects.	90%	29.40%	90%	41.10%	Performance comments: Target underachieved. Contractors' poor performance led to the cancellation of some contracts. Inclement weather conditions and solar geysers not installed as anticipated also contributed towards poor expenditure. Corrective measures: To rectify it, Technical Services will ensure that tenders are awarded earlier in the next financial year to allow sufficient time to

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Strategic objective two: Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2021/2022 Target	2021/2022 Actual	2022/2023 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
									complete projects (also see 2.4.2.2 below for corrective measures for solar geysers).
	2.4.2	To improve the livelihoods of citizens in the Cape Winelands District.	2.4.2.1	Number of schools assisted with ablution facilities and/or improved water supply.	2	0	2	2	Target achieved
2.4.2.2			Number of solar geysers installed.	200	152	150	78	<u>Performance comments:</u> Target underachieved. Landowners who promised to install units indicated that due to financial constraints, they could not take up the subsidy. <u>Corrective measures:</u> To rectify the process, more follow-up calls will be made, and we will attempt to do reallocation earlier to landowners who will be in a position to install additional units.	
2.4.2.3			Number of sport facilities upgraded or completed and/or supplied with equipment.	2	0	8	3	<u>Performance comments:</u> Target underachieved. Tenders were awarded late and inclement weather conditions also delayed implementation. One tender could not be awarded due to the lack of irrigation water while four others were awarded but could not be completed before the end of the year. <u>Corrective measures:</u> To rectify it, the necessary SCM processes are in place and tenders will be advertised in time to complete the projects within the financial year.	
2.5	2.5.1	To improve ICT governance in the Cape Winelands District.	2.5.1.1	Annual review, and alignment with review outcome, of the ICT Governance Framework and/or the ICT Strategic Plan and submit to Council for consideration for approval.	1	1	1	1	Target achieved

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Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2021/2022 Target	2021/2022 Actual	2022/2023 Annual Target and Performance		
							Annual Target	Annual Actual	Performance Comments & Corrective Measures
3.1	3.1.1	To compile a budget that is available before the start of the financial year.	3.1.1.1	Compilation of a budget and submitted to Council by 31 May.	1	1	1	1	Target achieved
	3.1.2	Transparent and accountable reporting to all stakeholders.	3.1.2.1	Compilation of a mid-year assessment (section 72 report), submitted to Council by 31 January.	1	1	1	1	Target achieved
	3.1.3	Fair, equitable, transparent, competitive and cost-effective SCM practices.	3.1.3.1	Submit to Council a report on the implementation of SCM (within 30 days after financial year-end).	1	1	1	1	Target achieved
	3.1.4	To promote the financial viability of the CWDM through sound financial management practices.	3.1.4.1	Maintaining a sound liquidity ratio as at financial year-end.	10.5:1	17.33:1	17.67:1	12.90:1	<p><u>Performance Comments:</u> Target underachieved.</p> <p>Changes to the investment strategy resulted in investing surplus funds for longer periods to access favourable market conditions. Also, the current liabilities increased due to the increase in the creditor accruals as a result of the delivery of firefighting vehicles at year end.</p> <p><u>Corrective Measures:</u> Both the target and actual are still way above the general norm of 2:1. However, the target will be adjusted to accommodate similar future market conditions.</p>
			3.1.4.2	Maintaining a sound Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets Ratio	Equal to and greater than 0%	0%	Equal to and greater than 0%	0%	<p><u>Performance Comments:</u> Target achieved.</p> <p>The norm for this ratio is 0%. The purpose of the Ratio is to indicate the percentage of Impairments compared to the Carrying Value of the Assets; a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented.</p>

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Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2021/2022 Target	2021/2022 Actual	2022/2023 Annual Target and Performance		
							Annual Target	Annual Actual	Performance Comments & Corrective Measures
			3.1.4.3	Maintain a sound Cash / Cost Coverage Ratio as at financial year-end.	1 to 3 months	26 months	1 to 3 months	19.82 months	<p><u>Performance Comments:</u> Target overachieved.</p> <p>The municipality has the ability to meet its monthly commitments from cash and short-term investments without collecting additional revenue.</p>
			3.1.4.4	Maintain a sound Level of Cash Backed Reserves Ratio as at financial year-end.	100%	955%	100%	1 197%	<p><u>Performance Comments:</u> Target overachieved.</p> <p>The municipality's investments increased due to higher than expected interest rates and lower than anticipated expenditure over the financial year. This also led to an increase in the accumulated surplus. Spending on government grants improved significantly over the reporting period.</p>
			3.1.4.5	Maintain a sound Net Operating Surplus Margin Ratio as at financial year-end.	Equal to and greater than 0%	9%	Equal to and greater than 0%	12%	<p><u>Performance Comments:</u> Target overachieved.</p> <p>Good results achieved in maintaining an operating surplus for the financial year.</p>
			3.1.4.6	Maintain a sound Creditors Payment Period Ratio as at financial year-end.	30 days	18 days	30 days	29 days	<p><u>Performance Comments:</u> Target overachieved.</p> <p>The municipality ensures that all creditors are paid timeously within the prescribed legislative timeframe.</p>
3.2	3.2.1	To coordinate functional statutory and other committees.	3.2.1.1	Number of Council meetings that are supported administratively.	7	11	7	11	<p><u>Performance Comments:</u> Target overachieved.</p> <p>Additional meetings were required.</p>

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Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2021/2022 Target	2021/2022 Actual	2022/2023 Annual Target and Performance		
							Annual Target	Annual Actual	Performance Comments & Corrective Measures
			3.2.1.2	Number of MAYCO meetings that are supported administratively	9	9	8	11	<u>Performance Comments:</u> Target overachieved. Additional meetings were required.
3.3	3.3.1	To capacitate a skilled and competent workforce in order to realise organisational SO's.	3.3.1.1	Number of WSP submissions to the LGSETA.	1	1	1	1	Target achieved
			3.3.1.2	The percentage of CWDM's training budget actually spent on implementing its WSP.	90%	70%	80%	73.23%	<u>Performance Comments:</u> Target underachieved. All payments for the Training Tender 2020-2023 were paid in full and concluded. Training Tender for 2022 – 2025 was approved in June 2023, thus Training Programmes earmarked for implementation during the 2022/23 year - will only commence in the 2023/24-year. <u>Corrective Measures:</u> A more proactive approach will be taken in respect of finalising SCM matters. The latter will include: <ul style="list-style-type: none"> • Earlier Timeframes for the commencement of SCM process • Identifying and ensuring quality Training Specifications
	3.3.2	Facilitate an administrative function in so far as it relates to labour relations.	3.3.2.1	Number of Employment Equity Report submissions to the Department of Labour.	1	1	1	1	Target achieved

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

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2021/2022 Target	2021/2022 Actual	2022/2023 Annual Target and Performance		
							Annual Target	Annual Actual	Performance Comments & Corrective Measures
	3.3.3	To manage the capital funds spent in relation to the receipt thereof for improved service delivery.	3.3.3.1	The percentage of CWDM's capital budget actually spent by the end of the financial year.	80%	20%	80%	67%	<p><u>Performance Comments:</u> Target underachieved.</p> <p>Transfer of land for the regional landfill site are awaiting deeds registration. Grant funding for back-up energy supply was received in the latter part of the financial year. Further technical SCM compliance matters resulted in the cancellation of building projects. Also, delays in the delivery of ICT equipment contributed to the under achievement.</p> <p><u>Corrective Measures:</u> The necessary SCM processes were concluded and bids have been re-advertised where applicable.</p>
	3.3.4	To promote a corruption-free CWDM.	3.3.4.1	Establishment of an externally managed corruption hotline.	0	0	1	0	<p><u>Performance Comments:</u> Target not achieved.</p> <p>At Adjustment Budget stage, it was anticipated that this tender would be awarded and implemented before year-end.</p> <p><u>Corrective Measures:</u> Going forward, additional appointed capacity will ensure that this is implemented before year-end.</p>
	3.3.5	To transform the work force of the CWDM in terms of representation.	3.3.5.1	Number of people from employment equity target groups employed in the 3 highest levels of management in compliance with CWDM's approved Employment Equity Plan.	90% of appointments	80% of appointments	90% of appointments	79.55% of appointments	<p><u>Performance Comments:</u> Target underachieved.</p> <p>Only one appointment in the 3 highest levels of management were made during the 2022/2023 financial year.</p> <p><u>Corrective Measures:</u> The Revised Succession Planning and Career Pathing Policy & Revised Mentoring and Coaching Policy will assist to put procedures and programmes in place to address these challenges.</p>



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Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2021/2022 Target	2021/2022 Actual	2022/2023 Annual Target and Performance		
							Annual Target	Annual Actual	Performance Comments & Corrective Measures
	3.3.6	To improve the livelihoods of citizens in the CWDM area.	3.3.6.1	Number of work opportunities created (in person days) through CWDM's various initiatives.	7 500	12 348	9 340	10 623	<u>Performance Comments:</u> Target overachieved. Contractors made use of more laborers to complete projects.
3.3	3.3.7	To improve inter-governmental relations within the district as with other districts.	3.3.7.1	Improve inter-governmental relations within the district as well as with other districts by initiating and participating in the DCF and JDMA meetings.	6	10	-	-	
		To improve inter-governmental relations within the district as with other districts.		Improve inter-governmental relations within the district by initiating and participating in the DCF and JDMA meetings.	-	-	8	7	<u>Performance Comments:</u> Target underachieved. Final quarter JDMA meeting not held due to Presidential Imbizo on 19 May 2023. <u>Corrective Measures:</u> Going forward, closer cooperation with WC Department of Local Government will take place to re-schedule planned meetings when needed.

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3.3 NATIONAL KEY PERFORMANCE AREAS 2022/2023

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

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

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

KPA 1: Service delivery and infrastructure development			
Roads	Unit	2021/2022	2022/2023
Kilometres of road responsible for (provincial deproclamation and maintenance contracts)	Kilometres	3 601	3 601
Kilometres of roads maintained and rehabilitated (provincial deproclamation and maintenance contracts)	Kilometres	3 601	3 601
Total amount of operating budget allocated to road maintenance	Rand	R 109 352 941	R 129 841 118
Total amount of operating budget spent on road maintenance	Rand	R 101 830 995	R 117 861 209
KPA 2: Local economic development			
Economic growth	Unit	2021/2022	2022/2023
Total rand value of procurement transactions	Rand	R 88 891 618	R 122 788 233
Total rand value of contracts awarded to SMMEs	Rand	R 85 939 240	R 116 127 487
Total rand value of contracts awarded to BEE suppliers	Rand	R 52 832 590	R 74 663 942
Total rand value of contracts awarded to women	Rand	R 20 640 438	R 48 119 913
Total rand value of contracts awarded to youth	Rand	R 4 943 517	R 7 080 019
KPA 3: Municipal financial viability and management			
Financial viability	Unit	2021/2022	2022/2023
Total operating transfers (grant and subsidy income)	Rand	R 254 213 310	R 257 457 299
Total operating expenditure	Rand	R 367 153 188	R 388 407 927
Capital budget spend in year	Rand	R 3 133 402	R 20 736 064
Council-approved capital budget in year	Rand	R 15 506 979	R 31 087 331
Total outstanding customer debt as at 30 June	Rand	R 0	R 24 323
Current assets as at 30 June	Rand	R 844 420 699	R 706 923 839
Current liabilities as at 30 June	Rand	R 48 714 593	R 54 802 063

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Total revenue	Rand	R 401 867 501	R 438 975 017
Revenue from grants	Rand	R 253 274 643	R 257 206 294
Debt service payments (finance charges)	Rand	R 13 896 000	R 13 454 000
Salaries budget (including benefits)	Rand	R 230 972 967	R 247 764 678
Total operating budget	Rand	R 420 175 340	R 459 380 503
Municipal systems improvement grant (MSIG)	Rand	R 0	R 0
Amount of this allocation utilised	Rand	R 0	R 0
Municipal infrastructure grant allocation	Rand	R 0	R 0
Amount of this allocation utilised	Rand	R 0	R 0
KPA 4: Municipal transformation and organisational development			
Organisational design and capacity	Unit	2021/2022	2022/2023
Number of posts on the organogram as at 30 June	Number	491	489
Number of posts on the organogram that were filled as at 30 June	Number	402	393
Total number of staff employed at the municipality as at 30 June	Number	436	425
Total number of Section 57 staff employed at the municipality as at 30 June	Number	4	4
Section 57 posts vacant for more than three months in the financial year ending 30 June	Number	0	0
Percentage of municipality's budget spent on implementing its Workplace Skills Plan	Percentage	0.18%	0.15%
Employment equity	Unit	2021/2022	2022/2023
Number of Section 57 staff who were classified as black (african, Indian and coloured) as at 30 June	Number	3	3
Number of Section 57 staff who were women as at 30 June	Number	1	1
Number of staff (out of total number of staff) at the municipality who were women as at 30 June	Number	162	161
Number of staff (out of total number of staff) at the municipality who were classified as disabled as at 30 June	Number	9	8
KPA 5: Good governance and public participation			
Council meetings	Unit	2021/2022	2022/2023
How many Council meetings were held in the financial year?	Number	11	11
How many open Council meetings were held in the financial year?	Number	11	11
Corporate governance	Unit	2021/2022	2022/2023
Number of Section 57 staff dismissed	Number	0	0
Number of Section 57 staff suspended	Number	0	0
Number of Section 57 staff resigned	Number	0	0

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3.4 PERFORMANCE IMPROVEMENT MEASURES

The followings actions were taken throughout the 2022/2023 financial year to improve the culture of performance management in the organisation:

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

3.4.1 PMS audit focus for 2022/2023

The focus for the 2022/2023 financial year was as follows:

- Quarter 1: The review was not performed due to capacity constraints in the Internal Audit Unit.
- Quarter 2: Review of the municipality's compliance with the (MSA) Municipal Systems Act in respect of organisational performance management. Review the usefulness of key performance indicators and the reliability of reported performance information.
- Quarter 3: Review the usefulness of key performance indicators and the reliability of reported performance information. Review of the municipality's compliance with the Municipal Systems Act in respect of organisational performance management. Review the supporting documentation to verify that it supports the actual information. Review weather output evidence in terms of completeness, accuracy and validity for related key performance indicators. Ensure that the actual information falls within the correct reporting period.
- Quarter 4: The review will be performed in Quarter 1 of the 2023/2024 financial year.

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3.5 SUPPLIER PERFORMANCE

In terms of the applicable legislation, specifically section 46(1)(a) of the MSA – *A municipality must prepare for each financial year an annual report consisting of –*
(a) a performance report reflecting— (i) the municipality’s, and any service provider’s, performance during that financial year, also in comparison with targets of and with performance in the previous financial year.

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

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

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

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

Relevant department/division	Number of contracts	
	2021/2022	2022/2023
Community Development and Planning Services	60	86
Financial and Strategic Support Services	87	88
Technical Services	143	148
Office of the Municipal Manager	10	5
Total	300	327

It is also necessary to ensure that quality assessment mechanisms are established and in place during the supply chain management process, as this is underscored by contract management practices. It is during this process that the municipality establishes or confirms that all contractual obligations have been met.

3.5.1 Quality of performance

Contract managers evaluate the performance of contractors/service providers objectively on a monthly basis, whereby a supplier’s actual performance is measured against the identified KPIs linked to the contract.

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In the event that the supplier is rated lower than 3 out of a possible 5 (60%) on one or all of the KPIs, he/she must be consulted, and mutually agreed upon corrective measures must be identified and implemented by the supplier.

3.5.2 National Treasury supplier restrictions

The municipality has during the 2022/2023 financial year requested National Treasury to restrict one (1) service provider, its shareholders and directors from obtaining business with the public sector due to breach of their contract and poor performance.



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3.6 AUDITOR-GENERAL OUTCOMES FOR 2022/2023

During the last ten years (2013/2014; 2014/2015; 2015/2016; 2016/2017; 2017/2018; 2018/2019; 2019/2020, 2020/2021, 2021/2022 and 2022/2023), the municipality received clean audits. For the 2022/2023 year audited, more detail can be found in the audit and/or management report.

COMPONENT A: BASIC SERVICES

This component includes the following services:

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

INTRODUCTION TO BASIC SERVICES

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

a) THE PROVISION OF WATER AND SANITATION SERVICES

INTRODUCTION TO WATER PROVISION

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

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The set target was achieved.

b) WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

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



COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The set target was achieved.

c) ELECTRICITY

INTRODUCTION TO ELECTRICITY

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

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL



The target of 150 units for the 2022/2023 financial year was not met and only 87 units were installed during the year. The reason why landowners did not install the subsidised units is because of the cost for the landowners who currently experience difficult economic times. In the future we will attempt to do reallocation earlier to landowners who will be in a position to install additional units.

d) WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

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

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The rezoning and subdivision of the proposed site were approved while the transfer of the subject erf from Breede Valley Municipality to the CWDM is under way. The compilation of tender documents for the construction and operation of the regional landfill site was advertised at the end of the 2022/2023 financial year and it is anticipated that construction will start during the 2023/2024 financial year.

A provincial target was set by the Department of Forestry, Fisheries and the Environment to divert all organic waste from landfills by the end of 2027. To achieve this, the Cape Winelands District Municipality financed the compilation of Organic Waste Diversion plans for the local municipalities to assist them in diverting organic waste from the landfill site.

COMPONENT B: ROADS SERVICES



INTRODUCTION TO ROAD TRANSPORT

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

a) ROADS SERVICES

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

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

- Provincial roads allocated to the CWDM to maintain: 3 127 gravel roads and 1 232 km surfaced roads

- Provincial roads maintained by the Provincial District Roads Engineer's office: 566,7 km surfaced under contracts and 99,8 km by their own staff

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

Provincial gravel roads: Most of the complaints received from the rural communities pertain to the poor condition of the provincial gravel road network. The majority of the 3 127 km provincial gravel road network in the CWDM area needs re-gravelling/reworking/reshaping. Wet weather has a negative impact on the riding quality of these roads, as they urgently require reshaping (to improve drainage) and re-gravelling (to improve riding quality) that cannot be achieved with the current resources and huge backlogs.

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

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

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

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

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

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

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Department	Original Budget	Adjustments Budget	Actual Spending
ROADS-MAIN/ DIV. INDIRECT	81,701,060.00	95,477,964.00	90,405,390.19
ROADS: WORKSHOP	10,971,951.00	10,337,486.00	9,443,845.87
ROADS: PLANT	7,672,614.00	14,134,201.00	13,932,360.70
MANAGEMENT: ROADS	10,992,493.00	9,891,467.00	9,548,084.53
TOTAL	111,338,118.00	129,841,118.00	123,329,681.29

b) PUBLIC TRANSPORT

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

In fulfilling its statutory mandate, the CWDM established a unit on its organisational organogram, namely Regulation of Passenger Transport Services. The approach adopted by the sub-directorate was the development of a District Integrated Transport Plan as well as Local Integrated Transport Plans for the B-municipalities in its district. The District Integrated Transport Plan provides guidance for an implementation strategy to achieve the various service delivery goals in public transport. The table below indicates the critical areas identified to achieve the service delivery goals, with their respective projects.

Outcome	Projects	Targets	Achievement 2022/2023
Improved mobility of citizens in the district	Review of the CWDM District Integrated Transport Plan	Improve public transport level of service rendered by the unregulated and privately funded minibus taxi industry	DITP completed, adopted by Council Committee on 27 October 2022 and submitted to the Provincial MEC for approval.
Improved road safety	Planning for improved road safety infrastructure at urban schools in Breede Valley LM	Reduce the number of learner traffic-related incidents. Reduce the speed of vehicles passing urban schools through traffic calming infrastructure. Improved road signage.	Completed upgrading of sidewalks at Esselen Park High school and Worcester Secondary school.
	Distribution of promotional items within the district.	Distribute promotional items to improve the safety of the public.	Successfully handed out to five municipalities within the district: <ul style="list-style-type: none"> • 3 758 learner peak caps • 720 eco-friendly shopper bags • 240 lunch bags
	Transport Month event	Host a Transport Month event during October 2022 in Witzenberg Local Municipality.	Transport month events were successfully hosted in the following towns within Witzenberg Local Municipality: <ul style="list-style-type: none"> • Ceres - 1 October 2022 • Tulbagh - 8 October 2022

Transport Month event

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

Aim of Transport Month

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

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



Transport Month group photo - Tulbagh



Distributed branded learner peak caps.



Road safety awareness to commuters



Councilor Carinus with taxi operators

Improved pedestrian safety

Upgraded road infrastructure at Esselen Park High and Worcester Secondary School.



Witzenberg receives some special attention

The Cape Winelands District Municipality was well represented in the Witzenberg during October.

Our Mayor, Ald (Dr) Elna von Schlicht is taking us directly to our communities through the Mayoral Mondays initiative. As reported in last month's edition, the Mayor and her Mayoral Committee (Mayco) are visiting a different municipal area each month over the next few months.

The first stop on the agenda was a visit to the Togyers Museum where the Ceres Tourism Association told the team a little about their plans for the upcoming season. The museum's curator shared not only the rich history of the museum, but also some of the challenges museums face in keeping up with technology on limited budgets.

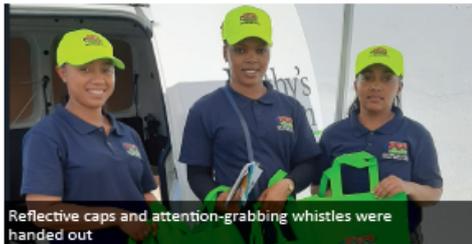
The museum offers a wonderful visit and contains a treasure of photos, wagons and other memorabilia and information about the establishment of Ceres, the train drivers and other related service personnel.

After the Museum visit, the Mayco held their meeting before dashing off to visit the staff of Ceres at the Ceres workshops. The reception from our colleagues in Ceres was warm, with a number of staff asking questions and making suggestions to the Mayor. It was lovely to see our colleagues who work in the furthest areas of the District.

While the Mayco were at the Staff meeting, the Public Participation team and unit representatives arrived to set up for



Road safety drive in Tulbagh



Reflective caps and attention-grabbing whistles were handed out

the community engagement due to take place in the late afternoon.

This is where individuals and organisations are invited to engage with the various portfolio holders, unit representatives and the Mayor on a one-on-one basis. The Witzenberg visit took place at the same time as the annual Call for Proposals opened, which meant that almost all of the guests had questions in this regard.

Just when you may be thinking, that only the Mayor visited Witzenberg in October, please note the other events that took place.

The Technical Services Department held their annual road safety drive in Tulbagh. This initiative aims to empower passengers with the information on how to ensure that they stay safe while travelling. This project is a highlight of the year for the department as it is an opportunity for them to engage directly with the communities who make use of various kinds of transport.

Reflective caps and attention-grabbing whistles were handed out together with information.

Engaging directly with our communities is always an uplifting experience, it reminds us that we are public servants and that many people rely on us to deliver services that keep them safe.

Witzenberg, despite its icy winters, received us with great warmth!



Mayoral Monday Residents for Social Development



Mayor and team chat to Residents of Witzenberg

COMMENT ON THE OVERALL PERFORMANCE OF TRANSPORT

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

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

However, despite funding challenges, planning for improved citizen mobility and implementation of various public transport-related projects continued, such as the Transport Month event that was hosted in Witzenberg Local Municipality. Road safety pamphlets, branded water bottles and promotional bags were distributed among commuters at this event.

ICT Annual report 2022/2023

ICT is an essential part of the CWDM and is constantly evolving in response to the latest technological threats and opportunities. The CWDM's capacity for rapid adaptation positions it favourably amidst these changes.

ICT security threats have also increased in recent years with ransomware and hacking attempts becoming more common. The CWDM has taken steps to mitigate these risks, including implementing a virtual private network (VPN) and firewall.

The CWDM network covers 16 sites and has over 50 connections from home office users. All applications are available at the municipality's disaster management site, which provides a backup in case of a system failure.

The following is an overview of the achievements and challenges experienced by the ICT division during the financial year.

Achievements:

- Provided a reliable network for all electronic communication including internet and telephony.
- Successfully implemented a VPN and firewall to improve security.
- Transitioned to a Software Defined Wide Area Network.
- Refurbished much of the ICT equipment, keeping costs down and ensuring that the network remained operational.
- Increased the number of home office users, providing greater flexibility for employees.

Challenges:

- COVID-19 pandemic disrupted global supply chains, making it difficult to obtain new ICT equipment. While the restrictions have been lifted, the changes caused by the pandemic were still felt.
- Increased ICT security threats, requiring the municipality to take additional measures to protect its systems.
- Increased demand for ICT support as more employees use technology in new ways.

Overall, the ICT division at the CWDM has faced a number of challenges during the past year. However, the division has also made significant progress and is well positioned to continue providing an effective and reliable service to the municipality.

COMPONENT C: COMMUNITY DEVELOPMENT AND PLANNING SERVICES

Departmental introduction

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

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

a) Spatial Planning and Environmental Management

This division's town and regional planning is limited to spatial planning and planning coordination. Land use management is a function of the five local municipalities within the Cape Winelands District although the CWDM's involvement in land use planning is through participation in local municipal planning tribunals established in terms of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA). The division's environmental management function focuses mainly on natural resource management, biodiversity and water through the implementation of an invasive alien vegetation management and river rehabilitation programme. The division is also responsible for geographic information systems (GIS). This is a newly acquired support function. The purpose of this function is to:

- support all departments/divisions within the CWDM organisation with spatial data analysis and maps;
- provide project management and oversight pertaining to GIS-related data management/usage; and
- manage GIS software and contractual agreements.

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

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

- Planning Lead of the (a) Urbanisation Challenges and (b) Resource Resilience projects, which are subprojects of the Joint District and Metro Approach Project.

b) Socio-Economic Development

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

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

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

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

c) Disaster Management Services

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

The functions of Disaster Management include:

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

duration such as setting up temporary shelters.

- Recovery: Decisions and actions taken after a disaster with a view to restoring the situation to normality or improving the pre-disaster conditions.

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

d) Firefighting Services

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

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

e) Municipal Health Services

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

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

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

October 2018 to ensure a good understanding of the action plan, with allocated timeframes for implementation and the implementation indicators.

COMMUNITY DEVELOPMENT AND PLANNING SERVICES IN NUMBERS

Our REACH in communities

- **310** people through the 16 days of activism campaign
- **834** vulnerable children participated in victim empowerment programmes
- **1 860** elderly persons had the opportunity to participate in the health and wellness sports event
- **29** community organisations were supported
- **360** More Living Active Age programmes were implemented
- **10 537** sanitaryware provided to school learners across the district
- **995** diapers were provided to the elderly
- **450** people participated in the international day for people with disabilities
- Annually, **2 290** youth from across the district participate in Youth Month programmes



Helping to TRAIN and SKILL our communities

EARLY CHILDHOOD DEVELOPMENT

- **34** Early Childhood Development Centres were supported

EDUCATIONAL PROGRAMMES

- **7 480** rural school learners were afforded opportunities to embark on educational excursions
- **2 800** children were kept safe during holiday programmes

SKILLS DEVELOPMENT

- **24** interns were afforded a driver licence training opportunity

BUSINESS TRAINING AND MENTORSHIP

28 SMME and 7 small farmers/groupings had access to be trained in various financial and business management practices

TOURISM TRAINING

- 30 culinary training
- 14 site guide training
- 135 customer care training
- 75 events management training
- 45 first aid training
- 14 introduction to wine training

CAPE WINELANDS FIRE AND RESCUE ACADEMY TRAINING

The Academy has **trained 201** fire officers, which includes our own and those from our partners and

neighbouring municipalities.

Our reach in communities in SUPPORT of Tourism

Local Tourism Association Development projects

- 15 people received training in housekeeping/ cleaning in Breedekloof, Breede Valley Municipality.
- 10 wineries were evaluated on standard of services in Breedekloof, Breede Valley Municipality in the form of an in-loco visit to establishments by a mystery guest who did the assessment.
- 10 people received training in front office duties, hospitality, and customer relations in the Franschhoek area.
- 8 people received training in hospitality in McGregor, Langeberg Municipality.
- Support was provided to local crafters in the form of printing of a tourism map for Nqubela township, Robertson, Langeberg Municipality.
- 20 tourism SMMES were supported with payment of their membership fees, Basic Firefighter and First Aid level 1 training in Montagu, Langeberg Municipality.
- 15 petrol attendants and front office staff received training through educationals in Tulbagh, Witzenberg Municipality.
- 10 petrol attendants trained in tourism awareness, Ceres, Witzenberg Municipality.
- Cleaning and marking of hiking trail, Ceres, Witzenberg Municipality.
- Touwsriver LTA was upgraded and personnel received training in front office duties in Touwsriver, Breede Valley Municipality.
- Primary school tourism educational and front office training was rolled out in Wolseley, Witzenberg Municipality.
- Tourism SMME information sessions were held in Worcester, Breede Valley Municipality.
- Development of a new local tourism route and new tourism products was supported in Jamestown, Stellenbosch Municipality.

Township Tourism and Route Development

- 15 arts and crafters were supported with marketing collateral.
- Tourism route development funding was provided to Drakenstein Municipality for this project.
- Funding was also provided to Worcester Tourism

Our REACH in communities through sports and recreation

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

CARING for our environment

ENVIRONMENTAL MANAGEMENT

Natural resource management programmes

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

Thirty Nine (39) sites/ contracts were awarded and cleared.

- Work opportunities created: **± 390**
- Hectares cleared: **± 2 447.81**

LTA for SMME workshops.

MEDIA EDUCATIONALS

12 media educationals were supported in collaboration with the local tourism associations around CWDM region.

EXHIBITIONS

5 tourism exhibitions were attended as follows: Meeting Africa, Beeld Holiday Makers, Johannesburg, Gauteng, ITB, Berlin, Germany, Indaba Tourism Exhibition, Chief Albert Luthuli International Convention Centre, Durban, KwaZulu-Natal and World Tourism Market Africa, International Convention Centre, Cape Town, Western Cape.

TOURISM EVENTS

23 tourism events were supported across the region.

TOURISM CAMPAIGN

The tourism campaign was rolled out in the form of a radio campaign to retain existing visitors and to attract new visitors in the low tourism season. The radio campaign was reaching local tourists on their favourite radio stations and promoting the region to a broader audience.

TOURISM MONTH

This project is rolled out annually during the month of September. The focus is on enabling local tourists to enjoy the offerings of tourism in their own region, province, and country.

Other local economic interventions in the tourism sector:

- 1 tourism radio media campaign focusing on bringing domestic tourists to the Cape Winelands
- 22 business retention and expansion projects supported in the tourism sector
- 1 digital tourism project supported
- 1 wine tourism project supported

PROTECTING our communities			
TRAINING PROVIDED	NUMBER OF SESSIONS	NUMBER OF PEOPLE TRAINED/ REACHED	RELATED EDUCATIONAL MATERIAL DISSEMINATED
Duties of the Food Handler	27	430	96 posters and pamphlets
Standards and Requirements for Formal Food Premises	5	40	16 posters and pamphlets
Cleaning and Disinfection of Food Premises and Equipment	3	40	55 posters and pamphlets
Health Certification of Foodstuffs Destined for Export – MHS Protocol, Documentation and Procedures	1	2	
Transport, storage and display of foodstuffs	1	11	
Analysis of the scope of functions of MHS (food safety practices in food premises) – provided to first-year students of the Western Cape College of Nursing, Boland/Overberg campus	1	51	
Information session: Food Hygiene, Food Poisoning and General Premises Hygiene.	1	40 grade 11 hospitality learners	19 posters and pamphlets
Informal Food Traders	3	32	76 posters and pamphlets
Paediatric Surge Season (Diarrhoea Educational Awareness)			100 posters and pamphlets
Personal Hygiene	8	669	75 posters and pamphlets
Health Standards for Early Childhood Development Centres	7	176	
Handwashing	22	1 995	260 posters and pamphlets
Be Waterwise	2	201	34 posters and pamphlets
Interactive Health Education Live Theatre Performances	54	13 868	
Health and Hygiene: Water and Sanitation Subsidy	30	2 960	

Programme			
Cleaning Campaign	1	51 Grade 4 school learners	90 posters and pamphlets
Stop Flies			130 posters and pamphlets
World Environmental Health Day awareness activities	2	147	Air pollution class workbook launch x 5 books
Cholera			150 posters and pamphlets
Toilet Hygiene			213 posters and pamphlets
TOTAL	168	20 713	1 319

NATURAL RESOURCE MANAGEMENT

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

Sites cleared

Thirty-nine (39) project sites were cleared, entailing ± 2 447.81 hectares and creating ± 390 work opportunities (39 sites x 10-member contracting team).

Breede Valley Municipality Tender (T2022/063)	SITE NAME: 1. BVM 1_2022 2. BVM 2_2022 3. BVM 3_2022 4. BVM 4_2022
Drakenstein Municipality Tender (T2022/064)	SITE NAME: 5. DM 1_2022 6. DM 2_2022 7. DM 3_2022 8. DM 4_2022 9. DM 5_2022 10. DM 6_2022 11. DM 7_2022 12. DM 8_2022 13. DM 9_2022 14. DM 10_2022 15. DM 11_2022 16. DM 12_2022 17. DM 13_2022 18. DM 14_2022 19. DM 15_2022 20. DM 16_2022 21. DM 17_2022 22. DM 18_2022 23. DM 19_2022 24. DM 20_2022 25. DM 21_2022 26. DM 22_2022 27. DM 23_2022 28. DM 24_2022
Langeberg Municipality Tender (T2022/065)	SITE NAME:

	<p>29. LM 1_2022 30. LM 3_2022 31. LM 4_2022 32. LM 5_2022 33. Dassieshoek 3_2022</p>
<p>Witzenberg Municipality Tender (T2022/062)</p>	<p>SITE NAME:</p> <p>34. WM 1_2022 35. WM 2_2022 36. WM 4_2022 37. WM 5_2022 38. WM 6_2022 39. WM 7_2022</p>

LED PROJECTS

ENTREPRENEURIAL SEED FUND PROGRAMME

During the 2022/2023 financial year, 28 beneficiaries were supported with equipment for their businesses. A variety of businesses were supported including:

- Woman contractor for eradication of invasive plants
- Laundry Services
- Guest House
- Architecture
- Catering
- Clothing manufacturing
- Engineering
- Hairstyling
- Construction and Maintenance
- Accounting
- Funeral services
- Recycling
- Wood making
- Flower decorating
- Wellness



CTC Engineering Supplies in Paarl has been owned by Chantel Syfers since 2019. She started the business by buying a router and then a laser cutter. She added leather upholstery to her business during Covid-19 and moved from her initial premises to join her husband. Chantel supplies engineering consumables for a niche market. She makes use of materials such as wood, HTP, acrylic and aluminium daily. She expanded her business when she decided to make use of the leftover cuttings from the products that she makes. These products include earrings, wooden toys, leather wallets, cake toppers, etc. She loves

being creative and working with her hands. She has recently done work for local businesses in Paarl who wanted wooden boxes, built in cupboards and machine parts. She has recently received

her import and export certificate. CTC Engineering Services was supported with funding, which was utilised for subliming printing equipment to be used on the wood projects.

SMALL-SCALE FARMERS SUPPORT PROGRAMME

Seven beneficiaries were supported with farming operations such as:

- vegetable farming
- beekeeping
- cattle farming
- alfalfa farming
- wine vines production
- grape and wine production



Bonnievale Workers Empowerment Trust was supported under the Small-Scale Farmers Support Programme. Elethu wines, which are produced by Bonnievale Workers Empowerment Trust, was established in 2007 and comprises black-owned land; black-owned and managed vineyards; and black-managed winemaking. There are thirty-three beneficiaries including staff of Bonnievale Wines and four permanent farm employees. The name Elethu means “it is ours” in isiXhosa and was chosen by the beneficiaries. A total of 25 hectares of vineyards have been established since 2011. Cultivars include cabernet sauvignon, merlot, chenin blanc, chardonnay, sauvignon blanc and nouvelle. Farming activities such as planting, pruning, harvesting and general management of the vines are done by the

beneficiaries.

MENTORSHIP DEVELOPMENT PROGRAMME

NLT Investments have been awarded the three-year contract for the training and mentorship programme, which is compulsory for all beneficiaries of the Entrepreneurial Seed Fund Programme and the Small-Scale Farmers Support Programme. Apart from the training and mentorship programme, the service provider is also responsible to purchase the equipment of the beneficiaries as agreed upon.

The training conducted at the five different CWDM offices included the following subject matters:

- development of company business values/ business plan
- loan and funding module knowledge
- communication skills
- marketing tools
- human resources policy training
- bookkeeping systems / finance



offices

The training session of the Witzenberg group

BUSINESS RETENTION AND EXPANSION PROGRAMME (BR&E)

A total amount of **R635 000** was spent in the 2022/2023 financial year in support of 22 projects. One such project is the Bottelary Hills Renosterveld Conservancy.



The Bottelary Hills Renosterveld Conservancy (BHRC) Youth Stewardship Programme in Stellenbosch was supported with R30 000 funding towards establishing a local mobile marshal maintenance programme. The funding enabled two local youths to be employed. Their tasks include hosting guided hikes, running snare patrols as well as marking trail running routes. They are tasked to spend four days per month on trail monitoring duties. In addition, they work as part of the TrailBlazers

trail maintenance team, maintaining the hiking trails on Koopmanskloof and Mooiplaas. The funding has enabled the BHRC to launch the Youth Stewardship programme and provide a platform for further tourism development initiatives linked to the mountain bike trails, hiking trails and food and wine offering of member farms.

INVESTMENT ATTRACTION PROGRAMME: DIGITAL TOURISM

The budget for 2022/2023 enabled the local tourism associations (LTAs) to have their Town Mobile App redeveloped and to have business onboarding sessions for their members. The purpose of the redevelopment of the town apps is to add additional functionality to the mobile application platform and to make the mobile application more user friendly, to promote tourism products in the region and to market the region as a tourism destination and increase national and international tourists to the region. After the redevelopment phase, the crucial business onboarding training took place to equip and empower the tourism office staff and members to take ownership of their own listings and to update the listings. This will ultimately contribute to the success of the Town Mobile App.

INVESTMENT ATTRACTION PROGRAMME: WINE TOURISM

The 2022/2023 project with VINPRO was the Wine Tourism Wi-Fi Analytics Visitor Research. A service level agreement (SLA) was entered into between Flow Networks and Vinpro. The CWDM paid the funding amount of **R250 000** that covered the cost of the Presence Analytics and Wi-Fi Enterprise Analytics licences (negotiated at R4 800 each) for approximately 50 wineries in the Cape Winelands District area. A further 43 wineries in the Cape Winelands region have been earmarked to subscribe to Purple Presence Analytics and Purple Wi-Fi Analytics for a year at a subsidised rate. The project is open to all wineries beyond the Cape Winelands who also qualify for a discounted rate.

During the month of April 2023, an article was published on Tourism Update that highlighted the project and the milestones achieved:

Smart tech boosts wine tourism growth

19 Apr 2023



A new wine tourism research pilot programme, aimed at generating tourism intelligence and helping wineries use this intelligence to grow their Direct-to-Consumer (DTC) business, is currently being funded by Vinpro and the Cape Winelands District Municipality.

Vinpro is a non-profit company that represents close to 2 600 South African wine producers, cellars and industry stakeholders.

Launched in March with an initial 16 wineries, this new pilot programme is a continuation of one of Vinpro and the SA Wine Routes Forum's strategic objectives to conduct research focused on industry needs and knowledge gaps.

The wine routes, Vinpro, and Vintelligence (consumer intelligence solutions for SA wine producers), collaborated last year to release the SA Wine Tourism Visitor Research Report 2022. This year the goal is smarter use of technology.

"We are extremely excited to have kicked off this amazing pilot programme and we want cellars to get involved now," said **Marisah Nieuwoudt**, Wine Tourism Manager at Vinpro.

"The pilot programme was launched in conjunction with Flow Networks, specialists in location analytics, proximity marketing and Guest Wi-Fi. This year we want to use the technology to our advantage to count our visitors and note where they come from, to understand the size and make-up of the total market. We want to help our wineries stay connected to wine tourists between visits, making consumer engagement in the DTC wine space possible," Nieuwoudt added.

How it will work

Flow Networks will work with the cellars involved in its marketing strategy to assist on cross-channel sales, manage their online reputation, build a loyalty and rewards programme, or send offers via e-mail. Flow Networks is a reputable service provider, used by some of the largest brands in the world including Radisson Blu, McDonald's, Tsogo Sun, Harrods, and Walmart.

Presence Analytics is a software module that counts the number of mobile devices (users) in range of a producer or cellar's WiFi router using a built-in location sensor. Visitors do not need to be connected to the farm's WiFi to be counted. Purple, a cloud-based Wi-Fi platform, then measures the time spent in the venue and frequency of visits.

WiFi Analytics records the information of visitors that connect to a guest WiFi service. A CRM record is created for each guest when they connect and is updated every time they return. This is done by linking up one or more of the farm's existing WiFi routers to the Purple WiFi platform.

Purple is installed on top of the existing WiFi infrastructure, and set-up takes less than an hour. The system can be managed via an online portal accessible to wineries. Purple instantly starts building a database via its user-friendly, custom-branded WiFi landing pages once the winery goes live.

An online dashboard will display the visitor data collected. Selected, aggregated information such as visitor numbers, country of origin, dwell time, gender and age will be shared with the respective wine route.

This means the wine route manager will have sight of cross-pollination (when a wine tourist visits more than one winery) to help inform their marketing and development planning. Vinpro will have sight of the same information at a national level. All processes comply with POPIA locally and GDPR regulations abroad.

"As a region, we believe that wine tourism is not only about enjoying exquisite wines and breathtaking landscapes, but also about harnessing the power of data and intelligence to support the growth of wineries and enhance our visitors' experiences," said **Melody Botha**, CEO of Breedekloof Wine Valley.

"We see this pilot programme as an opportunity to pool our collective knowledge and expertise, so we can elevate our wine tourism offerings and position our region as a premier wine destination. We envisage a future where wineries in our region can thrive in the DTC market, and where visitors can have truly exceptional wine tourism experiences," Botha concluded.

A further 43 wineries in the Cape Winelands region have been earmarked to subscribe to Purple Presence Analytics and Purple Wi-Fi Analytics for a year at a subsidised rate. The project is open to all wineries beyond the Cape Winelands as well, who also qualify for a discounted rate.

"The tourism sector is one of the largest economic contributors in the Cape Winelands District. This exciting and technologically advanced project ticks all the right boxes for the Cape Winelands District Municipality. The information gathered will help us apply our resources to effective campaigns that expand our global market, attract visitors to our beautiful district and, ultimately, allow its people to flourish," said **Dr Elna von Schlicht**, Executive Mayor of the Cape Winelands District Municipality.

INVESTMENT ATTRACTION PROGRAMME: TRADE SHOWS

The CWDM attended the Namibia Tourism Expo in November 2022 and April 2023.

The 24th Annual Namibia Tourism Expo was organised by Namibia Media Holdings. The Expo was held from 3 to 5 November 2022 at SKW Fields, Windhoek, Namibia. The participating SMEs were:

- Laharna Farm Products (Breede Valley); and

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- M'hudi Wines (Stellenbosch)
Breede Valley and Langeberg municipalities were also in attendance. The CWDM won two GOLD awards at the Namibia Tourism Expo:
- Gold from the Event Organisers for the best stand; and
- Gold from Namibia TV Holdings for best stand.



A total of R15 000 in prize money was won and this was used as the discount for the 2023 space booking. In addition to the prize money, the CWDM received a free advertorial and editorial coverage of a half-page advertisement in the *Tourismus Namibia*, 2023 Edition as well as 20 DSTV (30 second) slots to market the Cape Winelands region.

From 26-28 April 2023, the 25th Namibia Tourism Expo 2023 was held at the Windhoek Country Club and Resort. This was attended by the CWDM (including the CWDM Mayor Alderman Dr Von Schlicht), Breede Valley Municipality, Robertson Tourism and Laharna Farm Products. The theme for the event was *Beyond Borders*. The CWDM won a gold award once again for the stand and a “What’s Cooking Award”.

COMPONENT D: RURAL AND SOCIAL DEVELOPMENT

The Rural and Social Development Division of the CWDM focuses on building and maintaining social capital through access to programmes and services. Related programmes aim to increase physical activity, enhance education, improve skills levels, enhance employability, and provide funding for community-based organisations and promote the rights of vulnerable groups. The success of these programmes is based on the strong and vibrant partnerships with national and provincial government, B-municipalities, civil society organisations, communities across the Cape Winelands municipal district and training institutions. The following projects were implemented to address the service delivery priorities for the 2022/2023 financial year:

A. COMMUNITY SUPPORT PROGRAMME

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

B. DISABILITY PROGRAMME

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

I. International Day for Persons with Disabilities Project

On 3 December 2022, the CWDM, in partnership with government departments and NGOs in the disability sector, commemorated International Day for Persons with Disabilities. Events were implemented in the five B-municipalities to observe and promote the rights of persons with disabilities, covering the spectrum of disabilities and creating an awareness amongst citizens. 450 persons with disabilities and their families were reached through these programmes.

II. Disabled Grant in Aid

The CWDM provides funding to support civil society organisations in rendering services that have a direct and immediate impact on the wellbeing of people with disabilities across the district. The funding maximised the poverty alleviation impact of nine beneficiary community organisations across the Cape Winelands. This programme also enhances the capacity of beneficiary organisations to render services that will contribute to achieving the CWDM's strategic objectives.

III. Adult diapers

The CWDM focuses on building and maintaining social capital through access to programmes and services. Our partners at the Department of Health, community-based services, social workers and NGOs indicated that the need for diapers is one of the challenges they face. No adult, regardless of their level of physical or mental disability, should be treated differently

because aging and age-related conditions, which already rob our loved ones of much of their independence.

C. ELDERLY PROGRAMME

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

More Living Active Age Project

Recreational and cultural tours were undertaken as part of the More Living Active Age Programme for the elderly in our district. These tours provided the elderly with opportunities to research on the socio-economic, cultural and historical developments that have taken place, as well as the significant impact the history and developments had on the underprivileged communities and the elderly. The support of the CWDM created opportunities for elderly persons to visit recreational and historical landmarks. Some elderly persons have never been out of their residential areas due to financial constraints and the municipality provided them with the opportunity. Approximately 1 860 elderly persons from across the district were the beneficiaries of the district golden games and educational excursions.

D. SANITARYWARE

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

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

Through Rural and Social division programmes, CWDM portfolio Councillor Wilhemina Petersen visited 34 schools across the district to hand over approximately 995 packets of sanitaryware during February 2023.

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

E. ECD SUPPORT

The Cape Winelands District Municipality has invested in various programmes to better the education provided in early childhood development, as not only are the care and protection of young children essential, but also their development. The programmes also ensure that these babies and toddlers attend creches that have adequate facilities to give children a good start in life. The building of human capital places a specific focus on opening doors of learning and culture by providing a grant in aid to 34 ECD centres.

F. HIV AND AIDS PROGRAMME

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

16 Days of Activism Against the Abuse of Women and Children

The municipality facilitates joint planning and collates the inputs of all partners to produce a district calendar of events implemented across the district. The calendar provides a 16-day window (25 November to 10 December) of opportunity in communities for intense awareness raising and education to reduce levels of women and child abuse. Catalytic events include the launch of the 16 Days of Activism campaign, World Aids Day and the International Day for People with Disabilities. The objectives of the 16 days of Activism Against Women and Child Abuse campaign are to change behaviour through public awareness and education on the rights of people living with HIV/Aids and those who are HIV positive; to generate awareness of the incidence of violence against women and children; to highlight the stories of survivors of gender-based violence and the impact that the campaign has had on their lives; and to create awareness of the link between HIV/Aids and gender-based violence. Approximately 310 persons were reached through the 16 Days of Activism programmes.

G. SKILLS DEVELOPMENT PROGRAMME

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

Driver's Licence Training Project

The Cape Winelands District Municipality, in partnership with the departments of Health, Education and Social Development and the Breede Valley Municipality, embarked on an Integrated Governmental Relations programme in the Witzenberg area, which afforded 24 interns the opportunity to obtain a driver's licence. The training consisted of 10 practical driving lessons and a driver's licence test. The lack of skills development affects sustainable development in the rural communities of the Cape Winelands District. Violence, social isolation and low education levels make young, unemployed youth more vulnerable and increase their risks of sexual exploitation and drug abuse. The municipality identified the need to empower young people by providing access to K53 driver's licence training. The project, implemented by RABE Driving Training Centre, was completed in June 2023.

H. YOUTH PROGRAMME

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

Grade 12 Top Achievers

The Grade 12 Top Achievers annual event was held on 6 February 2023 in Witzenberg. The Cape Winelands District Municipality hosts this event in partnership with the Department of Education. Learners and parents from across the district took part in the event. The programme director was Mr Pietie Williams, Executive Director at the CWDM and the CWDM Executive Mayor, Ald (Dr) Elna von Schlicht was the guest speaker.

COMPONENT E: SPORTS AND RECREATION

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

Sports and Cultural Events Funding Programme

Funding was provided to support sports and cultural organisations in implementing mass participation events in order to maximise the impact of healthy lifestyles promoted by community organisations across the Cape Winelands municipal district. This programme also enhances the capacity of beneficiary organisations to render services that will contribute to the achievement of our strategic objectives. The programme provides opportunities to vulnerable groups to advance to local, provincial and national level competitions. During the 2022/2023 financial year, 33 organisations benefited from this programme.

Clubs supported

A number of clubs and organisations were supported to honour their league games across the district. **10 357** persons from rugby clubs, soccer clubs and NPOs were reached via various sporting codes across the district.

COMPONENT F: MUNICIPAL HEALTH SERVICES

LEGAL FRAMEWORK

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

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

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

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

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

MUNICIPAL HEALTH SERVICES MISSION AND VISION

MISSION

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

VISION

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

PROJECTS

MHS – WATER AND SANITATION PROJECT

The Cape Winelands District Municipality recognises the plight of poor rural communities and the health consequences that result from unsafe drinking water and inadequate sanitation services. These conditions have a direct bearing on the health status of communities and negatively impacts productivity and the local economy.

Through the Water and Sanitation Project, the municipality has once again shown its commitment to improving the health and wellbeing of rural communities. This is achieved through subsidies to landowners for the provision or upgrading of water and sanitation services to farm workers and rural dwellers.

Despite the current difficult economic circumstances, farmers still made use of these subsidies and improved water and sanitation services. In this financial year, subsidies were paid for the following services:

- 36 farm households received access to safe drinking water inside the house.
- 43 farm households were provided with bathroom facilities consisting of a handwash basin, shower and toilet facility.



These projects support sustainability and are aimed at improving the general hygiene amongst rural communities. A service provider (Keep the Dream) was appointed to provide health education sessions to beneficiary communities and rural dwellers.



These sessions were also rolled out at rural schools with the focus on addressing the importance of water conservation, basic hygiene habits and how to use the school's ablution facilities correctly. A total of 2 960 persons on farms and at rural schools received these valuable lessons.

ANNUAL ENVIRONMENTAL HEALTH EDUCATION

As part of our Annual Environmental Health Education Programme, Municipal Health Services presented live theatre performances throughout the Cape Winelands.

The project was aimed at creating environmental awareness amongst grade 1-3 primary school learners about environmental issues and to change negative behavioural patterns.

The performances took on the format of a live puppet show using interactive theatre techniques.

Performances were presented in Afrikaans; English and Xhosa,

depending upon the primary language of the school. A total of 70 schools were visited, reaching a total of 18 684 learners.



The performance content included education on: personal hygiene (including oral hygiene and handwashing), sanitation (the impact of unhygienic conditions/behaviour on human health e.g., the spreading of germ), illnesses caused by bad sanitation and hygiene, water conservation, littering, and recycling. These performances were well

received by both learners and educators alike.

FUNCTIONS

WATER QUALITY MONITORING

DEFINITION

Monitoring and surveillance of water safety, quality and availability intended for human consumption, recreational and industrial use, including the following:

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

This function excludes water supply and purification.

WATER QUALITY SAMPLING 2022-2023			
	Number of samples taken	Number of samples compliant	Percentage compliance
General limit for wastewater discharged into a water resource	124	78	63%
Moore pads	4	4	100%
SANS 241 Farms Non-Water Services Authority: Specifications for Drinking Water	194	121	62%
SANS 241 Rural Schools Non-Water Services Authority: Specifications for Drinking Water	153	74	48%
SANS 241 Water Services Authority: Specifications for Drinking Water	616	497	81%
Special limit for wastewater discharged into a water resource	47	13	28%
Standard for rivers, dams, canals	178	119	68%
Standard for swimming pool water	87	78	90%
Water used in milking sheds	6	5	71%
TOTAL	1 409		

The provision of water services is the responsibility of local (B) municipalities. Non-complying results are brought to the attention of local municipalities. Intergovernmental structures are in place and the portfolio councillor for MHS has also entered into bilateral talks with local municipalities. Municipal Health Services provide education to affected communities and, where necessary, issue warnings to communities.

An area of concern remains the release of treated wastewater into our natural water resources that does not conform with water quality standards as prescribed by permits applicable to these wastewater treatment sites. The enforcement of these permit conditions and standards remains the responsibility of the Department of Water Affairs.

The quality of drinking water in rural areas is another area of concern. Water Services have not stepped up to take responsibility for the quality and quantity of drinking water supplied to rural dwellers outside their water supply networks. Water supplied by private landowners in rural areas is mostly untreated and from unprotected sources. According to the Water Services Act, responsibility for the provision of water services remains the responsibility of water services authorities. This Act does allow for these authorities to make use of water services intermediaries, however, it is very clear that contracts should be in place and should address issues such as quantities, quality and compensation. No such contracts are currently in place.

FOOD CONTROL

DEFINITION

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

The function ensures consumer protection through the following actions:

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

FOOD SAFETY SAMPLING 2022 – 2023			
	No. of samples taken	No. of samples compliant	Percentage compliance
Surface swabs analysed	60	34	57%
Cooked poultry	103	88	85%
Cooked seawater and freshwater foods	57	49	86%
Dairy products or composite dairy products with the exception of ripened cheese	118	103	87%
Desiccated coconut	2	2	100%
Dried spices and aromatic plants	73	50	68%
Edible Ices	31	25	81%
Egg product after pasteurisation or irradiation	6	6	100%
Fruit juice for consumption	48	36	75%
General micro analyses of foodstuffs	148	115	78%
Honeybush tea at the point of sale	1	1	100%
Ripened cheese	22	21	95%
Natural mineral water or bottled water	77	43	56%
Partly cooked or uncooked seawater and freshwater foods	16	12	75%
Pasteurised milk, pasteurised reconstituted (prepared) milk, pasteurised skimmed milk, pasteurised reconstituted (prepared) skimmed milk or pasteurised cream	176	142	81%
Raw milk intended for further processing	17	7	41%
raw milk that has become sour for consumption	1	1	100%
Raw milk, raw cream, raw skimmed milk, raw reconstituted (prepared) milk or raw reconstituted (prepared) skimmed milk for consumption	1	0	0%
Rooibos tea packed in retail packaging at the point of sale	2	2	100%
Sterilised cream, sterilised milk, sterilised reconstituted (prepared) milk or UHT cream or UHT milk	1	1	100%
TOTAL	960		

ACTIVITIES CONDUCTED IN RELATION TO FOOD CONTROL	
Number of inspections conducted at food premises	7 595
Applications for Certificates of Acceptability inspections conducted	792
Number of Certificates of Acceptability issued	763
Number of orders and notices issued to food premises	85
Health Certificates issued for exports	1 791

Food control is and remains a focus area for MHS. Serious incidents of non-compliance will result in the issuing of non-compliance notices or withdrawal of a certificate of acceptability and may result in a summons to appear in court or often in the temporary or permanent closure of a business.

In relation to food sampling, suspect products may be detained and/or seized and destroyed. Foodstuffs may be removed from shelves at a local, provincial or nation level. Food control is a function that cannot be limited to geographical borders and subsequently intergovernmental relations are important in food control.

Provincial structures such as the Western Cape Food Control Committee entail local, provincial and national government and private sector industries gathering to discuss areas of concern and collating uniform actions to address areas of concern. The MHS Division of the CWDM has been an active member of this committee for many years.

WASTE MANAGEMENT

DEFINITION

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

This function refers to:

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

MHS have been actively involved in several ongoing cases involving major industries in the district. Several statements have been taken from aggrieved members of the public relating to inadequate handling and disposal of waste resulting in odour nuisances. Notices have been served on these industries and appeals have been heard by the Mayor. As a direct result of these interventions by the MHS Division, these companies will be spending millions towards the upgrade of waste treatment systems and also projects that involve turning waste into energy over the coming years. A turnaround strategy and timeframes have been agreed upon. It is trusted that these interventions

will address the complaints of community members. Company details and names may and will not be disclosed for legal reasons.

HEALTH SURVEILLANCE OF PREMISES

DEFINITION

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

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

SURVEILLANCE AND PREVENTION OF COMMUNICABLE DISEASES EXCLUDING IMMUNISATIONS

DEFINITION

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

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

No. of cases of notifiable medical conditions investigated	51
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VECTOR CONTROL

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

DEFINITION

Monitoring, identification, evaluation and prevention of vectors. The function refers to:

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

ENVIRONMENTAL POLLUTION CONTROL

DEFINITION

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

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

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

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

DISPOSAL OF THE DEAD

DEFINITION

Compliance monitoring of funeral undertakers, mortuaries, embalmers, crematoria, graves and cemeteries and to manage, control and monitor exhumations and reburial or disposal of human remains. This function refers to the monitoring and certification of:

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

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

No of pauper burials concluded	12
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SAFE HANDLING OF CHEMICAL SUBSTANCES

DEFINITION

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

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

COMPONENT G: ENVIRONMENTAL PROTECTION

AIR QUALITY MANAGEMENT

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

CWDM Air Quality Management Plan

To ensure the effective execution of the assigned roles and legislative responsibilities of air quality management under NEM: AQA, the approved 2nd Generation CWDM district-specific AQMP in terms of section 15(2) of NEM: AQA was included as a sector plan in the CWDM Integrated Development Plan. The CWDM has a designated air quality officer (AQO) in terms of section 14(3) of the NEM: AQA to coordinate matters pertaining to air quality management within the district. For proactive, effective air quality management and planning within the CWDM and to give effect to section 24 of the Constitution, the National Environmental Management Act, 1998 (Act No 107 of 1998) (NEMA) and NEM: AQA, the CWDM has an approved district-specific air quality management plan (AQMP) and designated air quality officer.

The 2nd Generation AQMP is reflected in the CWDM IDP and outlines air quality management goals and objectives for effective management of air quality within the district. This AQMP is being reviewed and the 3rd Generation CWDM AQMP, which will be finalised in the first quarter of the 2023-2024 financial year, will aim to meet the objectives and framework fundamentals of the 3rd Generation Western Cape AQMP.

Air Quality Training

The CWDM air quality officer (AQO) and/or CWDM officials attended the following training/workshops over the reporting period:

- Department of Forestry, Fisheries and Environment (DFFE) – NAEIS Audit Training – 13 July 2022
- DFFE – Emission Management Training – 22-26 August 2022
- DFFE – Multi Stakeholder Workshop on proposed amendments to National Dust Regulations – 24 August 2022
- DFFE – National Dust Control Regulations Implementation – 1 September 2022
- DFFE – Multi Stakeholder Workshop on proposed Section 21 amendments – 7 September 2022
- DFFE – Workshop on Stack Monitoring – 12 October 2022
- DFFE – Tank Emission Model Training – 2 November 2022
- Department Environmental Affairs and Development Planning (DEA&DP) – Workshop on Air Quality Management and Urban Sprawl – 30 November 2022

Air Quality Monitoring

During this reporting period, the DEA&DP Directorate Air Quality Management (D:AQM) operated three ambient air quality monitoring stations within the CWDM as part of the Western Cape Ambient Air Quality Monitoring Network, respectively in Stellenbosch, Worcester and Paarl. The stations report real-time air quality measurements from each monitoring station and provide an indication of the possible causes of air pollution in an area. The Worcester ambient air quality monitoring station reports real-time to the South African Air Quality Information System (SAAQIS) system as part of the DEFF National Air Quality Indicator project.

All Section 21 listed activities and Section 23 controlled emitters were subject to annual compliance emission monitoring in 2022 and reported their monitored data to the CWDM.

Intergovernmental cooperation/industry working groups

Intergovernmental cooperation with the five local municipalities and the DEA&DP Directorate: Air Quality Management ensured integrated air quality management across the district. The CWDM engaged with different spheres of government in mutually addressing air quality matters within the district.

During this reporting period, the CWDM assisted with the following air quality-related matters within the municipalities:

Drakenstein Municipality

- Intergovernmental engagement between CWDM, Drakenstein Municipality and DEA&DP to address public complaints on offensive odorous emissions.
- Assist Drakenstein Municipality on input towards organic solvents used at printing company in Paarl.
- Input towards a smoke/odour complaint related to the operation of a coffee roaster in Paarl.
- Input towards complaints from residential properties with regard to emissions and noise from an adjacent shop's standby generator.
- Assist Drakenstein Municipality on complaints on burning of domestic waste on farms in the Windmeul area.
- Input to Basic Assessment on proposed residential development in Paarl in the close proximity of operational brick manufacture utilising clamp kilns. Development.

Stellenbosch Municipality

- Combined site visit and addressing complaints on odour from a free-range pig farm in Stellenbosch.
- Combined site visit with regard to noise emanating from farm operating as wedding venue in Devon Valley.
- Input to emissions complaints from standby generators at security residential estate.
- CWDM input and attendance to biodiversity control burn in the Jan Marais Park in Stellenbosch.
- Site visit and input to a proposed project to erect a pilot zig-zag kiln at Cabrica Bricks in Koelenhof.
- Intergovernmental investigation into complaint burning of plastic on farm next to R44 (see image on the right).
- Provide input to Stellenbosch Municipality on a proposed bio-char plant in Jonkershoek.
- Assist and provide input to Stellenbosch Municipality with the drafting of the Stellenbosch Municipality 3rd Generation Air Quality Management Plan.



Witzenberg Municipality

- Intergovernmental discussions with Witzenberg Municipality and DEA&DP (Air Quality and Waste Management) on complaints of smoke emanating from Prince Alfred Hamlet dump site
- Site visit and discussions on boiler smoke complaint from Ceres Fruit Processors in Ceres.
- Input to emissions emitted from small boilers at Bear Nibbles factory in Wolseley.

Breede Valley Municipality

- Odour emanating from drains adjacent to RCL Foods in Worcester addressed with Breede Valley Municipality and the CWDM Municipal Health Services.
- AQA input to burning of recycled material at scrap dealer in Worcester.
- Engagement with Breede Valley municipal AQA on a dust complaint with regard to stockpiling of sand on a municipal site in Fairbairn Street, Worcester.
- Intergovernmental engagement with Breede Valley Municipality, DEA&DP and relevant industries with regard to public complaints of possible offensive odours from the Vinaqua wastewater treatment plant in Worcester.

Image: Dust from handling of sand





Images: Site visit Vinaqua waste water treatment plant

Langeberg Municipality

- AQO's input into the Langeberg Town Planning Department with regard to a rezoning application from Agricultural Zone I to Industrial Zone III for a proposed manganese mine.
- Intergovernmental discussions with the DEA&DP on public complaints from biomass burning of invasive plant clearing on the Breede River by Working for Water.
- Assist Langeberg Municipality in setting requirements for installation of wood- and gas-fired pottery kilns in McGregor.

The CWDM worked closely with industry with specific reference to Section 21 listed activities and Section 23 controlled emitters, addressing matters to ensure compliance under NEM:AQA and offering support on matters over and above NEM:AQA.

The CWDM AQO attended and provided feedback on air quality management at national, provincial and local municipal level with regard to the implementation of the NEM:AQA, as well as amendments to legislation related to air quality management:

- New or amended legislation under NEMA and its SEMAs as well as other air quality management related strategies such as –
 - Draft Section 23 temporary asphalt plants amendment
 - Draft Section 23 small boiler amendment
 - Draft National Dust Regulations amendment
 - Proposed Section 21 Listed Activities amendments.
- Distribution and sharing of air quality-related articles
- Quarterly DEA&DP Technical Meetings on AELs and Controlled Emitters
- Quarterly and Special Western Cape Air Quality Officer and Noise Forum meetings
 - Attendance of quarterly Provincial Air Quality Officers and Noise Forums
 - Attendance of quarterly Provincial Western Cape AQMP Working Groups to implement the Provincial Western Cape AQMP
 - Input into the Western Cape Air Quality Officer's report 2021
- Provincial EMI Forum Meeting
- Mintech Meeting on Monitoring Network Redesign Discussions
- DEA&DP Technical meeting on Section 24H.
- Engagement with different DEA&DP directorates and local municipalities on:
 - NEMA Section 30 incidents (air quality related)
 - NEMA Environmental Authorisations
 - Rezoning and/or departure applications



Image: CWDM assisting Stellenbosch Municipality in formulating 3rd Generation AQMP

Managing industry – listed activities and controlled emitters

Fourteen Section 21 listed activities were in operation within the CWDM during the reporting period. Meetings were conducted with these AEL holders and assistance was provided with proposed changes to processes for cleaner emissions and the installation of more advanced abatement equipment. Guidance was offered by the CWDM on mitigation measures at some industries and they were assisted in capacitating their employees involved with administering the AQM function.

The CWDM followed an intergovernmental approach in addressing matters within AELs by interacting with the DFFE, DEA&DP and the local air quality officers.

AEL holders and operators of controlled emitters attended DEADP NAEIS refresher training to enable industries to submit their annual emission inventory reports in terms of the National Atmospheric Emission Reporting Regulations. All operators timeously submitted the required annual reports to NAEIS for auditing.

With the decline of the South African economy amidst the unprecedented energy crisis, two listed activities, i.e. operating clay brick production facilities, ceased operations during 2022.

All Section 21 listed activities and Section 23 controlled emitters in operation during this reporting period are included in Table 1.

Table 1: Section 21 Listed Activities and Section 23 Controlled Emitters

ACTIVITY	TYPE OF ACTIVITY	ACTIVITY DESCRIPTION
Boland Bricks	Section 21	Clamp kilns for brick production
Cabrigo Brickfields	Section 21	Clamp kilns for brick production
Cape Lime	Section 21	Lime production
De Hoop Brickfields	Section 21	Brick production

Drakenstein Crematorium	Section 21	Crematorium
IC-SA Crematorium	Section 21	Crematorium
Naude Bakstene Bk	Section 21	Clamp kilns for brick production
Twohil Company t/a Tulbagh Bricks	Section 21	Clamp kilns for brick production
RCL Foods	Section 21	Animal rendering plant
Rheinmetall Denel Munition	Section 21	Ammunition production
Worcester Bakstene	Section 21	Clamp kilns for brick production
Western Cape Provincial Veterinary Laboratory	Section 21	Veterinary waste incinerator
# McMillan Bricks	Section 21	Clamp kilns for brick production
# Nuwejaarsrivier Landgoed t/a Paarl Brickfields	Section 21	Clamp kilns for brick production
Ashton and Langeberg Foods	Section 23	Small boiler – Coal-fired boilers
Ceres Fruit Juices	Section 23	Small boiler – Coal- and HFO-fired boilers
Ceres Fruit Processors	Section 23	Small boiler – Coal-fired boilers
Distell	Section 23	Small boiler – Coal-fired boilers

ACTIVITY	TYPE OF ACTIVITY	ACTIVITY DESCRIPTION
KWV	Section 23	Small boiler – Coal-fired boilers
Ashton and Langeberg Foods	Section 23	Small boiler – Coal-fired boilers
Ceres Fruit Juices	Section 23	Small boiler – Coal- and HFO-fired boilers
Rhodes Foods Pniel	Section 23	Small boiler – Coal-fired boilers

Listed Activities that ceased operations during reporting period.

Upon receipt of annual sampling reports and compliance inspections conducted at the listed activities, the CWDM assessed the compliance to the requirements set within the atmospheric emission licences (AEL) for these facilities.

Non-compliance to set minimum emission standards and some AEL requirements resulted in the CWDM requesting a listed facility to halt production pending compliance to set air quality standards and AEL requirements. The facility adhered to the CWDM request and stopped production. This stoppage had a knock-on effect on the rendering of the service within the province, generating attention from the public and media regarding the non-operation of this facility.

Air quality-related complaints

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The CWDM acted on and investigated complaints, with the more complex complaints addressed through intergovernmental interaction between DEA&DP, local AQOs and the CWDM AQO.

The CWDM complaints report includes complaints as received by the district municipality or complaints related to Section 21 listed activities or Section 23 controlled emitters within the CWDM. Not all complaints attended to by the local municipalities are captured within the CWDM statistics; therefore the number of complaints regarding air quality management within the district is most likely under-reported.

Offensive odours remain the main contributor to complaints within the CWDM. The CWDM interacted with the local municipal AQOs to solve odour complaints and to find solutions on identification of the sources of odour for non-listed activities. NEM:AQA requires facilities to prevent emissions considered malodorous or a nuisance to any reasonable person but do not have minimum emission limits for odorous emissions. No legislated standards exist for odour causing pollutants for authorities to measure against for the management of facilities possibly emitting emissions considered malodorous and to assess compliance.

Table 2: Air quality complaints

COMPLAINTS	July - Sept	Oct - Dec	Jan - March	April - June
Fumes	3	1	0	1
Smoke	4	3	4	2
Dust	0	2	3	1
Burning waste/tyres	2	3	1	1
Farm land burning	3	2	2	3
Crop spraying	0	2	0	0
Offensive odours	6	5	6	6
TOTAL	18	18	16	14

Way forward – recommendations

The CWDM identified the following actions as a priority to ensure proactive and effective air quality management and planning within the CWDM:

- Review 2nd Generation CWDM AQMP. Develop 3rd Generation CWDM AQMP for Council approval and inclusion in CWDM IDP.
- Formulation and promulgation of an Air Quality by-law for the CWDM.

Successes

- 100% NAEIS submission and audits on all Section 21 listed activities and Section 23 controlled emitters within the CWDM.
- Good working relationship between CWDM air quality officer and other spheres of government to manage air quality within the district and minimise impacts on the receptor community and the environment.

For additional information on Air Quality Management, refer to Appendix 2

COMPONENT H: DISASTER MANAGEMENT SERVICES

DIVISION: DISASTER MANAGEMENT SERVICES

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

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

The functions of Disaster Management include:

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

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

Disaster Management Advisory Forum: In terms of Section 51 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the CWDMC established a Disaster Management Advisory Forum that consists of representatives from the five local municipalities, provincial and national departments and other disaster management role players. This forum meets on a bi-annual basis. The forum meetings provide the CWDMC with an opportunity to engage role players on the disaster management-related activities taking place in the district. This is an important platform in order to provide members with important information such as seasonal forecasts and reports on significant incidents or disasters that have occurred in the district. The meetings for 2022/2023 took place in November 2022 and May 2023.

Coordination of Disaster Management function in the district: The division held quarterly disaster management meetings with the local municipalities. The purpose of these meetings is to coordinate the function of disaster management in the district. The signed service level agreement with local municipalities still exists. This agreement enables the district to assist the municipalities with the disaster management function.

Capacity at the local municipalities: The division has continued to support municipalities with capacity for the function of disaster management. Interns were provided to Breede Valley,

Drakenstein and Langeberg municipalities. The provision of an intern is the first step to build capacity within these municipalities. In many municipalities, the function of disaster management is the responsibility of the Chief Fire Officer and they do not have a designated Disaster Management Officer to perform the function of disaster management.

Early warnings: The division provides early warnings to all Disaster Management Advisory Forum members, local municipalities and internal departments. During the 2022/2023 financial year, the following information was distributed regularly:

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

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

Coordination of flooding incidents: The inclement weather conditions caused severe damage and disruptions in most parts of the CWDM in June 2023. The heavy rains and strong winds resulted in flooding and damage across the district, causing displacement of communities, extensive damage to infrastructure, road closures and inaccessible towns/areas. People that were affected by floods were evacuated and accommodated to temporary shelters, especially in the Stellenbosch, Breede Valley and Drakenstein municipal areas.

Humanitarian aid in the form of food, blankets, mattresses and hygiene packs were provided by various organisations such as the CWDM, Gift of the Givers and Al-Imdaad Foundation to the victims who were accommodated at various shelters.

The CWDM also donated blankets, food parcels, warm meals and bottled water to the affected municipalities.

The District Joint Operations Centre (JOC) was activated and daily meetings were held for the purpose of coordinating the response and relief effort for the flooding incidents.

Partnership for risk and resilience: Santam procured R1,26m of equipment for the district and local municipalities. The handover of this equipment took place in November 2022 at Grande Roche Hotel in Paarl, where all local municipalities officially received their equipment.

Disaster Management launch of the mascot Lenny the Leopard: The launch of the mascot Lenny the Leopard took place in May 2023 at Groendal Primary School in Franschhoek. It was attended by the CWDM Deputy Mayor, the Portfolio Councillor: Disaster Management, representatives of SANTAM, Stellenbosch municipal officials, Disaster Management officials and the Department of Education.

Following the launch, nine other schools were visited across the district to roll out the Flood and Fire awareness campaign in a form of an interactive play. The focus was on foundation phase learners to introduce the Lenny the Leopard and to ensure that the learners are aware of floods, fire and load shedding risks. Along with the play, activity sheets were developed for this project, which were distributed to reinforce the key messages. The intention of the division was to select lucky winners from each school and the winners to receive a gift.

In total, 10 schools were visited across the district and 2 372 foundation phase learners were reached. This campaign was funded by SANTAM as part of their three-year partnership that came to an end on 30 June 2023.

Disaster Management month in celebration of the International Day for Disaster Risk Reduction (IDDRR): In collaboration with local municipalities, the CWDM launched Disaster Management Month in celebration of the International Day for Disaster Risk Reduction (IDDRR) during October 2022 to promote a culture of disaster risk reduction within the district. The events took place over five weeks with a different theme each week, held in each local municipality.

Community Safety: The Cape Winelands Community Safety Forum (CSF) was established and launched in November 2022. This launch was attended by the MEC for Community Safety and Police Oversight, Mr Reagan Allen, who delivered a keynote address. The first Community Safety Forum workshop was held in 14 March 2023 in the Worcester Council Chambers. Four quarterly Community Safety Steering Committee meetings were held with the local municipalities. The purpose of these steering committee meetings was to share the latest safety concerns and challenges in order to identify hotspots and focus areas. These meetings are attended by all local municipalities within our district where deadlines to submit business plans, quarterly reports and progress reports are discussed. At the last meeting, a request was made that the municipalities must report back on their festive readiness plans and joint operations. It is unfortunate that these meetings are not always well attended as some municipalities' attendance is very poor; however, feedback is received from some municipalities on hotspot areas, which enables the district to deploy its resources accordingly.

Achievements

- Identifying hotspots and deploying resources effectively
- In process of establishing Community Safety Forums in Langeberg and Breede Valley

Challenges

Poor attendance of the Steering Committee meetings by stakeholders.

The Rural Safety Summit for the Cape Winelands District Municipality also took place in November 2022. This was a key engagement to review and develop our safety plan in the near future. This summit was a two-day engagement where the Minister for Agriculture, Dr Ivan Meyer, and the Minister for Community Safety and Police Oversight, Mr Reagan Allen, delivered keynote addresses to the safety stakeholders.

Pepper sprays and awareness caps were procured for the safety of women and to combat gender-based violence.

DIVISION: FIRE SERVICES

LEGISLATIVE MANDATE

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

- preventing the outbreak or spread of a fire;
- fighting or extinguishing a fire;

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

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

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

VELD FIRE SEASON

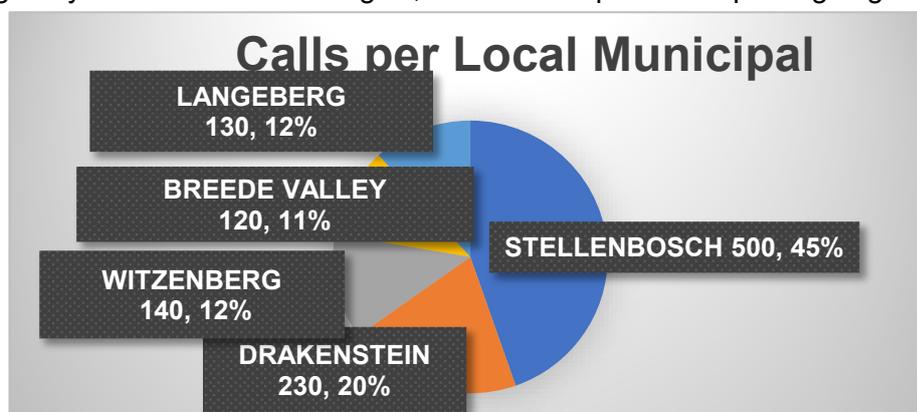
Fire calls per annum within the Cape Winelands District remains above the 1 000 mark, which places the Fire Services under severe operational difficulty. This season in particular was completely different to any other season experienced before, in the sense that huge fires (*referred to as extensive area with and extended operational period*) were experienced from the beginning of the season. The Fire Services were put under constant pressure to balance our resources and to always maintain a state of readiness and operational presents. The Fire Services responded and attended to 1 130 fires reported from 1 July 2022 to 30 April 2023.

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

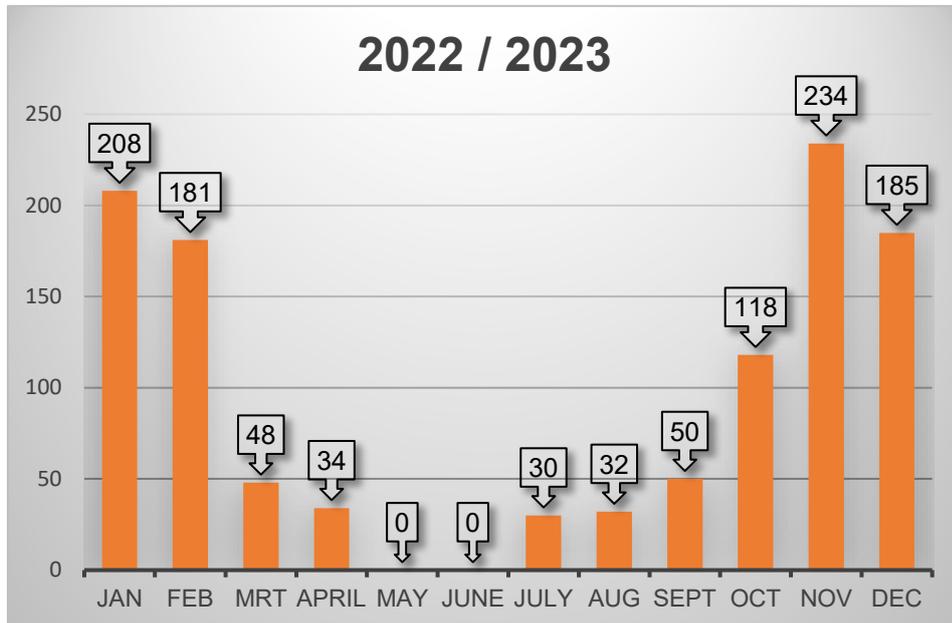
Regular feedback was provided to our Executive Mayor and Portfolio Councillor, senior management and the media through our Communications Division regarding major incidents within our area of jurisdiction.

STATISTICS

Veld fire data for our area of jurisdiction have been collected from our FireWeb system and the analyses thereof greatly assist with our strategies, tactics and operational plans going forward.



The pie chart above reflects the number and percentage of veld fire incidents from 1 July 2022 to 30 April 2023. Therefore, it must be noted that the highest number of veld fire incidents we attended to are within the boundaries of Stellenbosch and Drakenstein, making up a combined percentage of 65% of the total calls.



The bar graph above depicts the number of calls per month from July 2022 to the period ending April 2023. It is found that the highest frequency of veld fires occurred from October 2022 to March 2023.

CAPE WINELANDS FIRE AND RESCUE TRAINING ACADEMY

The academy was under severe pressure during the past year, mainly due to the shortage of training personnel. Despite this challenge, the academy still managed to train 201 fire officers, which includes our own and those from our partners and neighbouring municipalities.

INTER-AGENCY INVOLVEMENT

Cape Winelands District Veld Fire Workgroup

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

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

Local Municipal Fire Services

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

Fire Protection Association

The Winelands Fire Protection Association is functioning very well, and this organisation is maturing, as envisaged by the National Veld and Forest Fire Act. It is also the intention to ensure

that there is a coordinated and standardised approach to the management of fire risk within the district, such as the specifications and siting of firebreaks, equipment and training of members, etc.

MAJOR CAPITAL INVESTMENT

The CWDM Fire Services has taken delivery of their state-of-the-art, custom-designed mobile Incident Command Bus.

The simplistic design with a modernised workspace will allow for all partners of the CWDM and role players to gather within an easily accessible vehicle to predict, plan and initiate mitigation actions in response to major incidents that pose a threat to community and property.



International Firefighters Day

A day of celebration for firefighters of the Western Cape

“As we gather here today to commemorate International Firefighters Day, we pay tribute to the brave men and women who put their lives on the line every day to keep us safe. Our firefighters are the true heroes of our community, and their unwavering commitment and dedication to their profession is an inspiration to us all. As the Executive Mayor of Cape Winelands District Municipality (CWDM), I pledge to do everything in my power to support our firefighters and ensure they have the resources they need to carry out their duties safely and effectively. We owe them our respect, our admiration, and our gratitude.” Stated the Executive Mayor of the Cape Winelands District Municipality at today’s celebration held in Stellenbosch.

The 4th of May marks International Firefighter’s Day, which was established to recognise not only the dedication that firefighter’s show, but also to remember those who have paid the ultimate price in the line of duty.

The day kicked off with a formal motorcade lead by the cadets of the Cape Winelands District Municipality’s Fire Services Academy, followed by firefighting vehicles and crew. Fire Services from the Overberg, West Coast, Garden Route and the City of Cape Town joined the crews

from the Cape Winelands, Stellenbosch, Breede Valley, Drakenstein and the Witzenberg to show their skills.

The formal salute and formalities concluded with the moving Ringing of the Bell Ceremony before teams gathered to demonstrate various firefighting techniques such as high-altitude rescue, extrication, hazardous material management and the ever-popular strongest firefighter challenge.

The event was well attended by members of the public as well as several partners such as CapeNature, Western Cape Disaster Management and several suppliers to the industry.

There is a great sense of pride and camaraderie among firefighters, which was perfectly captured in an overheard conversation between CWDM’s Chief Fire Officer, Wayne Josias and Chief Fire Officer, Royston Harris of Swartland Municipality.

While watching the demonstrations, Chief Josias turned to Chief Harris and proudly said, “Jissy, Harris your guys are looking good!”



Primary Schools from the area visited the event.



Demonstrations



Motorcade through the streets of Stellenbosch



CWDM Mayor, Elna von Schlicht with Chief Fire Officers and other dignitaries.

COMPONENT I: FINANCIAL AND STRATEGIC SUPPORT SERVICES

EXECUTIVE AND COUNCIL

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

Introduction to Executive and Council

Vision

A unified Cape Winelands of excellence for sustainable development.

Mission

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

Core values

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

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

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

PROPERTY MANAGEMENT AND LEGAL SERVICES

Introduction: Legal Services

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

Legal priorities

- Legal compliance;
- Legal support to the Executive Mayor, Speaker and Municipal Manager, heads of department, Council, committees, departments and divisions;
- Legal advice pertaining to draft policies and contracts;

- Written and/or oral opinions;
- Finalisation of legal documents; and
- Labour relations matters.

Legal impact

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

Introduction: Property Management

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

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

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

Property Management priorities

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

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

- appropriate systems of financial management and internal control are established and carried out diligently;
- the financial and other resources of the district municipality are utilised effectively, efficiently, economically and transparently;
- any unauthorised, irregular, fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented;
- all revenue due to the district municipality is collected, for example rental income relating to immovable assets;
- the systems, procedures and registers required to validate the financial values of the district municipality's immovable assets are maintained to standards sufficient to satisfy the requirements of the Auditor-General;

- financial processes are established and maintained in order to ensure the district municipality's financial resources are effectively utilised through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions; and
- the Municipal Manager is appropriately advised on the exercise of powers and duties relating to the financial administration of immovable assets.

Property Management impact

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

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

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

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

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

Comment on the performance of Property Services overall

No capital projects.

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

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

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

- (a) Constitution of the Republic of South Africa, 1996;
- (b) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Chapters 5 and 6);
- (c) Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- (d) Framework for Managing Programme Performance Information, 2007;
- (e) Municipal Planning and Performance Management Regulations (No. 796, Aug 2001);
- (f) White Paper on Transforming Public Service Delivery (Batho Pele), 1997;
- (g) White Paper on Local Government, 1998;
- (h) Municipal Staff Regulations, GN 890, 2021;
- (i) Municipal Staff Regulations Guideline for Implementation, GN 891, 2021.

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

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

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

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

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

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

In terms of the 2016 IPM Project Plan, the implementation of individual performance management is divided into the following stages:

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

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

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

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

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

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

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

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

Chapter 4 – Performance Management and Development System, coupled with the relevant Guidelines, ensures the implementation of a comprehensive performance management and development system throughout the entire municipality, covering all levels and aspects (policies, procedures and strategies). Furthermore, the MSR ensures full integration of performance

management with all other HR-related functions including the staff establishment, recruitment and selection and skills development.

The Revised Individual Performance Management Policy was amended and consulted with all stakeholders and adopted by Council at item C.15.1 on 26 May 2022. In addition, the CWDM embarked on procuring a comprehensive Performance Management Development System inclusive of an effective electronic Performance Management Application in order to ensure effective process flows and to create an enabling environment to plan, monitor and measure performance against set targets and outputs.

On 19 July 2022, Circular No. 12 of 2022 was issued by COGTA, stating that the implementation date of Chapter 4: Performance Management and Development System was extended to 1 July 2023. This provided adequate operational time for the full implementation of Chapter 4. Subsequently, Council at Item C.15.7 on 26 January 2023 approved the deferment date for implementation of the Revised Individual Performance Management Policy to 01 July 2023.

During May 2023, the CWDM procured the services of a specialised service provider, to:

- provide a web-based performance management and development system to address a detailed process of reporting, monitoring and evaluating performance on an organisational and individual level; and
- cascade individual performance management to all levels in the municipality.

During June 2023, the service provider assisted and supported the CWDM to:

- perform a high-level overview to determine the municipality's readiness to implement Regulations 890 and 891 and reported on the findings and recommended way forward;
- conduct awareness sessions and training for all staff of the CWDM on the requirements of Regulations 890 and 891;
- develop performance agreements linked to job descriptions for all permanently employed staff compliant with the requirements of Regulation 890;
- conduct training of all staff on the web-based performance system;
- draft the Human Resource Strategy and Plan with regard to the rollout of the Performance Management and Development System (PMDS) in the municipality.

For the 2023/2024 year, the CWDM will focus on the following:

- Develop a comprehensive Performance Management and Development Framework aligned to the MSR and the CWDM IDP;
- Review the Performance Management Policy to be aligned with Regulation 890;
- Conduct awareness sessions to all staff on the evaluation of staff performance;
- Update the Personal Development Plans of all staff in terms of the requirements of Regulation 890;
- Review the performance plans during the mid-year evaluations and amend where applicable;
- Conduct continuous IPM training sessions to ensure skills transfer to all staff;
- Develop and implement an effective Change Management Strategy to ensure the establishment of a performance culture within the CWDM.

In conclusion, PMDS within the CWDM will be utilised as the monitoring and evaluation vehicle in order to ensure the necessary transformation and change within the CWDM, in establishing an effective and efficient municipal workforce, and in attaining the goals and objectives as set out in the CWDM IDP.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, VACANCIES AND TERMINATIONS

EMPLOYEE TOTALS

Description	EMPLOYEES				
	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Number of employees	Number of approved posts	Number of employees	Number of vacancies	Vacancies %
Water	0	0	0	0	0%
Wastewater (Sanitation)	0	0	0	0	0%
Electricity	0	0	0	0	0%
Waste Management	0	1	0	1	100%
Housing	0	0	0	0	0%
Wastewater (Stormwater Drainage)	0	0	0	0	0%
Roads	168	211	168	43	20%
Transport	1	3	1	2	66.66%
Planning	1	1	1	0	0%
Local Economic Development	4	4	4	0	0%
Community and Social Services	13	11	9	2	18.18%
Environmental Protection	0	0	0	0	0%
Health	46	52	46	6	11.5%
Public Safety	60	77	58	19	24.67%
Sport and Recreation	0	0	0	0	0%
Corporate Policy Offices and other	109	129	106	23	17.82%
TOTALS	402	489	393	96	19.63%

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EMPLOYEES: THE EXECUTIVE AND COUNCIL					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	6	6	6	0	0%
T9 – T13	1	3	2	1	33.33%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
MM and Section 56 employees	4	4	4	0	0%
Councillors	41	41	41	0	0%
TOTAL	53	55	54	1	1.8%

EMPLOYEES: FINANCIAL SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	6	7	4	3	42.86%
T9 – T13	16	8	7	1	12.5%
T14 – T17	6	4	4	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	29	20	16	4	20%

EMPLOYEES: HUMAN RESOURCE SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	5	7	5	2	28.57%
T14 – T17	1	1	1	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	7	9	7	2	22.22%

EMPLOYEES: ROAD SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	52	54	52	2	3.7%
T4 – T8	92	125	91	34	27.2%
T9 – T13	19	27	20	7	25.9%
T14 – T17	4	4	4	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	168	211	168	43	20.37%

EMPLOYEES: ICT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	1	1	1	0	0%
T9 – T13	3	4	3	1	25%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	5	6	5	1	16.66%

EMPLOYEES: PLANNING SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	0	0	0	0	0%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	1	1	1	0	0%

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EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	1	1	1	0	0%
T9 – T13	2	2	2	0	0%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	4	4	4	0	0%

EMPLOYEES: HEALTH INSPECTION, ETC.					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	38	44	38	6	13.63%
T14 – T17	8	8	8	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	46	52	46	6	11.53%

EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	4	4	3	1	25%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	5	5	4	1	25%

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EMPLOYEES: FIRE SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Chief Fire Officer and Deputy	1	2	1	1	50%
Other Fire Officers	0	0	0	0	0%
T1 – T3	0	0	0	0	0%
T4 – T8	18	20	18	2	10%
T9 – T13	40	54	38	16	29.62%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	60	77	58	19	24.67%

EMPLOYEES: PROPERTY, LEGAL, IDP, PERFORMANCE and RISK MANAGEMENT AND PROCUREMENT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2022	YEAR 0: 30 JUNE 2023			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	3	4	3	1	25%
T9 – T13	11	16	11	5	31.25%
T14 – T17	6	8	5	3	37.5%
T18 – T19	1	1	1	0	0%
TOTAL	21	29	20	9	31.03%

VACANCIES

VACANCY RATE: 2022/2023			
Designation	Total approved posts	Vacancies (Total time that vacancies exist using full-time equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
Chief Financial Officer	1	0	0%
Other S56 Managers (excluding finance posts)	2	0	0%
Other S56 Managers (finance posts)	0	0	0%
Police Officers	0	0	0%
Firefighters	77	19	24.67%
Senior Management levels T18 – T19 (excluding finance posts)	5	0	0%
Senior Management levels T18 – T19 (finance posts)	1	0	0%
Professionally qualified levels T14 – T17 (excluding finance posts)	32	4	12.5%
Professionally qualified levels T14 – T17 (finance posts)	8	2	25%

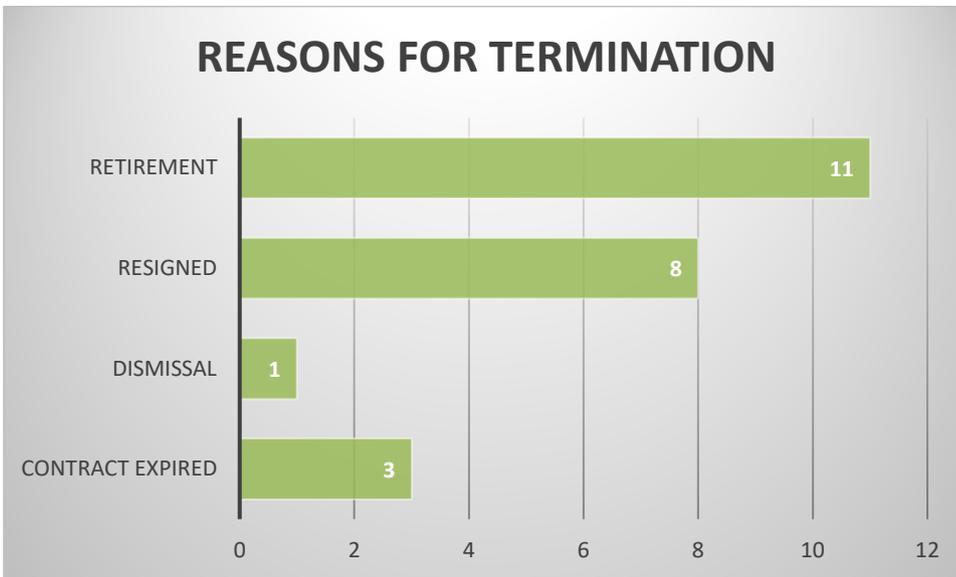
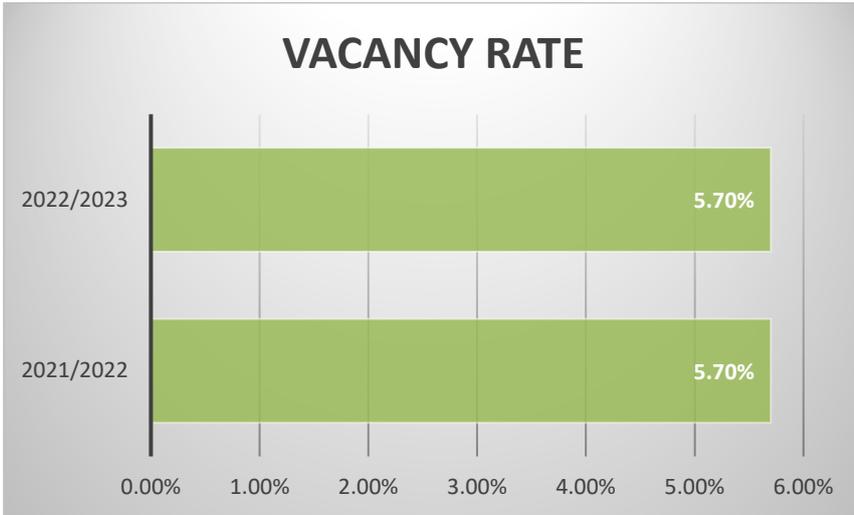
COMMENT ON VACANCIES AND TURNOVER

The post of Municipal Manager and all Section 56 posts were filled during the 2022/2023 financial year.

On 30 June 2023, the approved staff establishment of the CWDM consisted of a total of four hundred and eighty nine (489) posts of which three hundred and ninety three (393) were filled and ninety six (96) were vacant. Of the total of ninety six (96) vacancies, only twenty eight (28) were budgeted during the 2022/2023 financial year, resulting in a vacancy rate of 19.63%. The vacancy rate over the past two financial years calculated on budgeted vacancies is best reflected as follows:

TERMINATIONS

A total of twenty-three (23) employees terminated services at the CWDM during this period for the following reasons:



TURNOVER RATE			
Details	Total number of employees as at beginning of financial year	Total number of terminations for the financial year	No.
2021/2022	414	35	8.45%
2022/2023	402	23	5.74%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The 2022/2023 training year continued to be earmarked by the consequences of the Covid-19 pandemic, as the backlog from postponed training programmes hampered specifically regulated training prescripts. Regulated training programmes such as Municipal Minimum Competency Levels and Occupational Health and Safety-related programmes were negatively impacted in terms of the related timeframes connected to the mentioned training programmes. In addressing the latter, the 2022/2023 training year focused mainly on ensuring compliance, resulting in affected divisions having to juggle operational outputs when needed.

Skills development in South Africa is going through big changes as the Quality Council for Trades and Occupations (QCTO) prepares to take over the management of quality assurance for accredited qualifications and skills programmes from the SETAs. The QCTO was set up because there was a need for an overarching institution with national capacity for quality assurance of trades and professional qualifications, rather than the system that placed quality assurance for these with the Sector Education and Training Authorities (SETAs), which are, by definition, concerned with sectors.

The QCTO will register occupational qualifications and part qualifications on the NQF framework. It will also govern the quality assurance processes for these qualifications, which are namely to; appoint and evaluate Development Quality Partners; appoint Assessment Quality Partners (AQPs); monitor and evaluate AQPs' performance; register (and deregister) training providers on recommendation of AQPs, and issue the qualification certificates to trainees. The QCTO is gradually taking its delegated functions from SAQA as it builds capacity. As described above, there is a transition period during which SETAs retain their QA functions in respect of existing qualifications. Each qualification has an expiry date, which cannot be longer than five years from registration of renewal, so all existing qualifications will have expired by 2024.

In September 2021, the Municipal Staff Regulations and its guidelines were promulgated for implementation from 1 July 2022. These regulations specifically highlighted and prioritised skills development. This new legislative landscape will undoubtedly change all municipal capacity-building processes. The CWDM is on the forefront of this challenging landscape in our effort to transform and ensure internal compliance, as well as advising and coordinating our local municipalities within the district. In terms of the abovementioned Staffing Regulations, the municipality was required to update its current skills and in terms of what is required as stated by the regulations. The municipality appointed a specialist service provider to assist with the implementation of these regulations. After a thorough analysis and a readiness review was done, the following were suggested:

The municipality to update the required skills as per Chapter 5 of the MSR.

- Conduct a gap analysis between their own information and the skills for each post and post level in terms of the regulation;
- The municipality furthermore must ensure alignment between the Skills Audit and the Workplace Skills Plan and therefore this plan will have to be reviewed after the Skills Audit has been finalised;
- The information then subsequently must relay back to the individual PDPs as well as core competencies;
- The progress in terms of the PDPs, the skills development and the development return on investment must be assessed together with the performance assessments; and

- The performance assessments will then inform the skills development process and progress.

An implementation plan was drafted, and to date, the following progress was made:

- Awareness programme was conducted, and all staff was granted the opportunity to submit training needs;
- The WSP was completed and submitted to the LGSETA in April;
- Training was given on 18 May 2023 to HR staff on how to implement the Staff Regulations in respect of skills development;
- Further training was given to HR staff in June 2023 on how to add the new competencies to the job descriptions in terms of annexure A;
- The job profiles and competencies were then added to the job descriptions of all staff;
- Training on the Competency Framework was given to all staff in June.

Current ongoing plans for the 2023/2024 financial year are:

- Finalisation of the HR Strategy, which includes a five-year plan on skills development at the CWDM;
- Completion of personal development plans for all staff members;
- Drafting of a Mentoring and Coaching Policy;
- Identification of workplace mentors and coaches;
- Drafting of a five-year talent management framework;
- Conclusion of a thorough GAP skills analysis with regard to the competencies;
- Preparing the conduct of a skills audit and skills needs analysis;
- Drafting a five-year succession planning implementation plan.

Evidently, the legislative transformation of skills development will have a far-reaching and overall interlinked impact stretching across the municipality. Integration and alignment to all internal spheres and functions have become essential and the broadening of the human resources development function into its various specialisations function have become imperative.

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

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

The CWDM approved a new Employment Equity plan during the 2020/2021 financial year and during the 2022/2023 financial year, the CWDM gave continuous effect to the implementation of the plan as the Employment Equity Committee recommended that the approved plan be extended for another year.

As per the requirements of the Employment Equity Act, 1998 (Act No. 55 of 1998), the CWDM submitted an employment equity report in the prescribed format to the Department of Employment

and Labour. Consultation with all relevant parties takes place monthly at the Local Labour Forum, where parties are offered an opportunity to continuously assess and monitor progress.

EMPLOYMENT EQUITY FORUM

Bi-quarterly meetings were held on 14 November 2022, 16 March 2023 and 20 June 2023 by the Employment Equity Forum where discussions were held on appointments, terminations and promotions in respect of a previous quarter, in comparison to the goals and targets set out in the approved CWDM Employment Equity Plan. The Employment Equity Committee monitors and reviews the progress of the implementation of the Employment Equity Plan and ensures that the employer complies with the requirements as set out in the plan. Challenges experienced during recruitment and selection processes are highlighted and the committee also jointly strives to find amicable solutions to address these challenges within the workplace.

EMPLOYEE WELLNESS

ICAS, the CWDM's new wellness service provider, was appointed during December 2022 and the service will be rendered until 30 June 2025 to deliver a holistic wellness service to CWDM employees and their immediate family members. The main purpose of the wellness service delivery is to assist employees in managing the competing time demands and stress of today's world. The programme is managed by a multidisciplinary, multilingual team of professionals, including psychologists, social workers, registered counsellors, dieticians, legal advisors, financial advisors, debt counsellors, physiotherapist, biokinetics, chiropractors, etc.

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

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

- (i) Tollfree number 0800 119 333
- (ii) Call back *134*905#
- (iii) LiveChat Download the ICAS HUB App, register with the code – CWM001

The following video link can also be viewed; <https://www.youtube.com/watch?v=a9SYEn3NGBM>

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

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

Some of the challenges include:

- (i) Induced municipalities to adopt disparate HR systems resulting in excessive disparities that impede mobility of staff in the sector;
- (ii) Bloating of municipal administration in non-core functions of municipalities;
- (iii) Incoherent HR practices resulting in the concentration of critical skills in affluent municipalities;
- (iv) High incidence of irregular and inappropriate appointments;

- (v) Poor skills development programmes negatively impacting the capacity of municipalities to fulfil their constitutional obligations;
- (vi) Ineffective performance management and lack of accountability;
- (vii) Poor planning, under-expenditure by municipalities on capital budgets and ineffective revenue collection strategies; and
- (viii) Incoherent disciplinary and grievance procedures.

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

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

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

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

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

The objectives of the regulations are to:

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

The new prescribed templates in respect of Chapter 3: Recruitment and Selection were implemented from 1 July 2022 in respect of the implementation of the new Local Government: Municipal Staff Regulations No. 890 and Local Government: Guidelines for the implementation of the Municipal Staff Regulations No. 891 issued in Government Gazette No. 45181, dated 20 September 2021 in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).



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The CWDM procured the services of Ignite Advisory Services until 30 June 2025 to assist the CWDM with the implementation of the new Local Government: Municipal Staff Regulations No. 890 and Local Government: Guidelines for the implementation of the Municipal Staff Regulations No. 891 issued in Government Gazette No. 45181, dated 20 September 2021 in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).



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WORKFORCE PROFILE: DEPARTMENTS - JUNE 2023

	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
CWDM Targets	21.5%	24.7%	0.3%	7.2%	18.0%	21.7%	0.5%	6.1%
Office of the Municipal Manager: June 2023	0.0%	18.2%	0.0%	0.0%	27.3%	36.4%	0.0%	18.2%
Office of the Municipal Manager: May 2023	0.0%	18.2%	0.0%	0.0%	27.3%	36.4%	0.0%	18.2%
Financial and Strategic Support Services: June 2023	3.8%	22.8%	0.0%	6.3%	12.7%	36.7%	0.0%	17.7%
Financial and Strategic Support Services: May 2023	3.8%	22.8%	0.0%	6.3%	12.7%	36.7%	0.0%	17.7%
Community Development and Planning Services: June 2023	12.1%	41.1%	0.0%	20.2%	11.3%	15.3%	0.0%	0.0%
Community Development and Planning Services: May 2023	12.0%	40.8%	0.0%	20.8%	11.2%	15.2%	0.0%	0.0%
Technical Services: June 2023	34.3%	34.8%	0.6%	6.7%	11.2%	10.7%	0.0%	1.7%
Technical Services: May 2023	34.1%	35.2%	0.6%	6.7%	11.2%	10.6%	0.0%	1.7%
CWDM GLOBAL: JUNE 2023	20.1%	33.8%	0.25%	10.7%	12.0%	18.3%	0.0%	4.8%
CWDM GLOBAL: MAY 2023	20.0%	33.9%	0.25%	10.9%	11.9%	18.2%	0.0%	4.8%



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WORKFORCE PROFILE: CWDM GLOBAL - JUNE 2023

	MALE				FEMALE			
	MALE	FEMALE	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
CWDM Targets	21.5%	24.7%	0.3%	7.2%	18.0%	21.7%	0.5%	6.1%
Top Management (June 2023)	0.0%	50.0%	0.0%	25.0%	0.0%	25.0%	0.0%	0.0%
Top Management (May 2023)	0.0%	50.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%
Senior Management (June 2023)	0.0%	50.0%	0.0%	0.0%	0.0%	33.30%	0.0%	16.7%
Senior Management (May 2023)	0.0%	50.0%	0.0%	0.0%	0.0%	33.3%	0.0%	16.7%
Professionally qualified and experienced specialists and mid-management (June 2023)	5.9%	35.3%	0.0%	23.5%	5.9%	20.6%	0.0%	8.8%
Professionally qualified and experienced specialists and mid-management (May 2023)	5.9%	35.3%	0.0%	23.5%	5.9%	20.6%	0.0%	8.8%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (June 2023)	8.6%	36.7%	0.0%	19.4%	13.7%	18.7%	0.0%	2.9%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (May 2023)	8.6%	36.4%	0.0%	20.0%	13.6%	18.6%	0.0%	2.9%
Semi-skilled and discretionary decision making (June 2023)	20.3%	39.9%	0.70%	4.2%	8.4%	19.6%	0.0%	70.0%
Semi-skilled and discretionary decision making (May 2023)	20.1%	40.3%	0.69%	4.2%	8.3%	19.4%	0.0%	6.9%
Unskilled and defined decision making (May 2023)	53.7%	11.9%	0.0%	0.0%	20.9%	11.9%	0.0%	1.5%
Unskilled and defined decision making (May 2023)	53.7%	11.9%	0.0%	0.0%	20.9%	11.9%	0.0%	1.5%
TOTAL: DISABLED – JUNE 2023	0.0%	0.25%	0.0%	0.75%	0.0%	0.25%	0.0%	0.75%
TOTAL: ALL EMPLOYEES – JUNE 2023	20.1%	33.8%	0.25%	10.7%	12.0%	18.3%	0.0%	4.8%
TOTAL: ALL EMPLOYEES – MAY 2023	20.0%	33.9%	0.25%	10.9%	11.9%	18.2%	0.0%	4.8%



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All employees, including employees with disabilities

EMPLOYMENT EQUITY FIGURES 30 JUNE 2023

Occupational Level	Male				Female				Foreign Nationals		TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management	0	2	0	1	0	1	0	0	0	0	4
Senior Management	0	3	0	0	0	2	0	1	0	0	6
Professionally qualified and experienced specialists and mid-management	2	12	0	8	2	7	0	3	0	0	34
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	51	0	27	19	26	0	4	0	0	139
Semi-skilled and discretionary decision making	29	57	1	6	12	28	0	10	0	0	143
Unskilled and defined decision making	36	8	0	0	14	8	0	1	0	0	67
Total Permanent	79	133	1	42	47	72	0	19	0	0	393
Temporary Employees	1	8	0	0	11	10	0	1	0	0	31
Grand Total	80	141	1	42	58	82	0	20	0	0	424



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All employees with disabilities

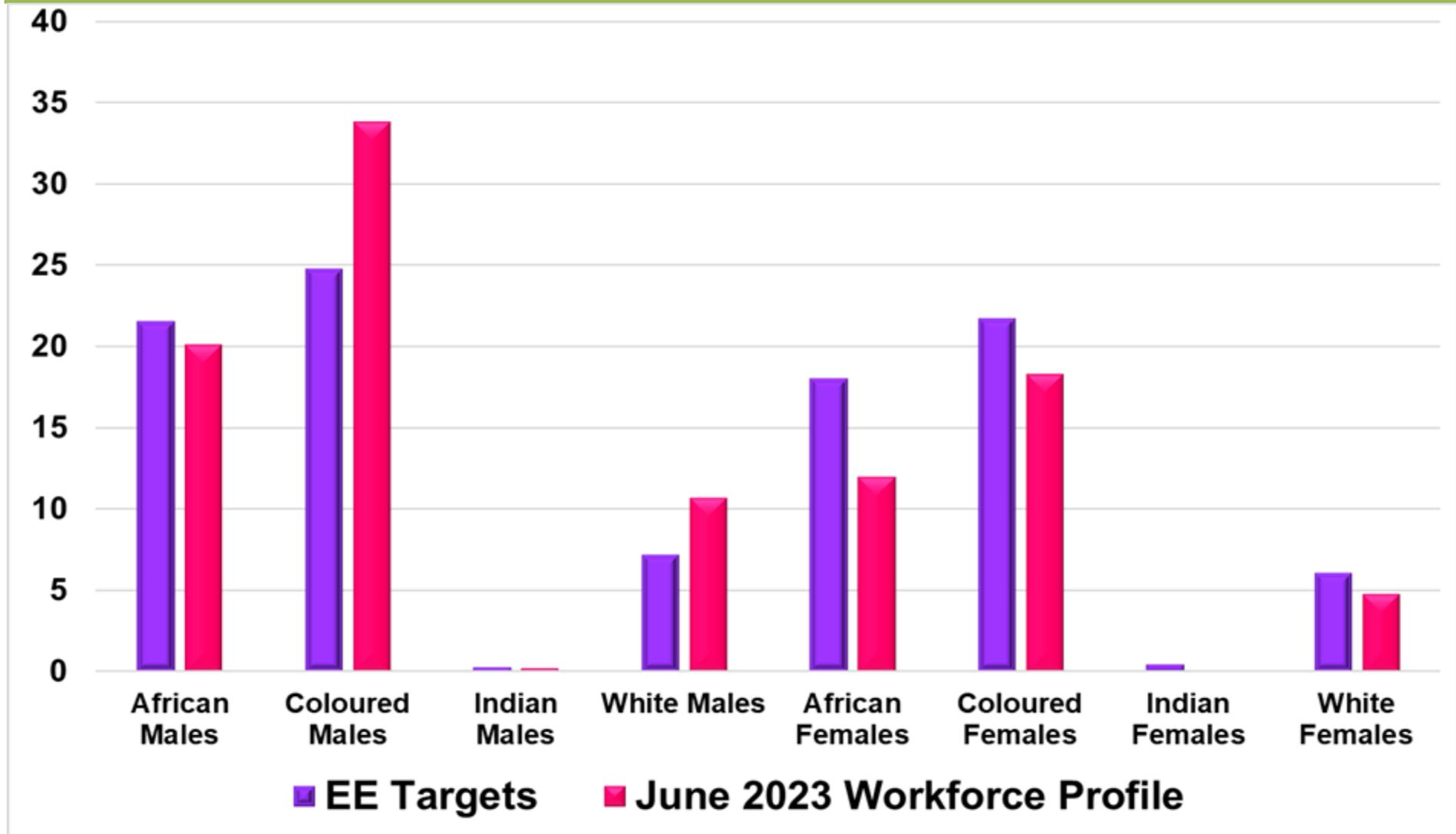
Occupational Levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	1	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	1	0	2	0	0	0	2	0	0	5
Unskilled and defined decision making	0	0	0	0	0	1	0	1	0	0	2
TOTAL PERMANENT	0	1	0	3	0	1	0	3	0	0	8
TEMPORARY EMPLOYEES	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	1	0	3	0	1	0	3	0	0	8



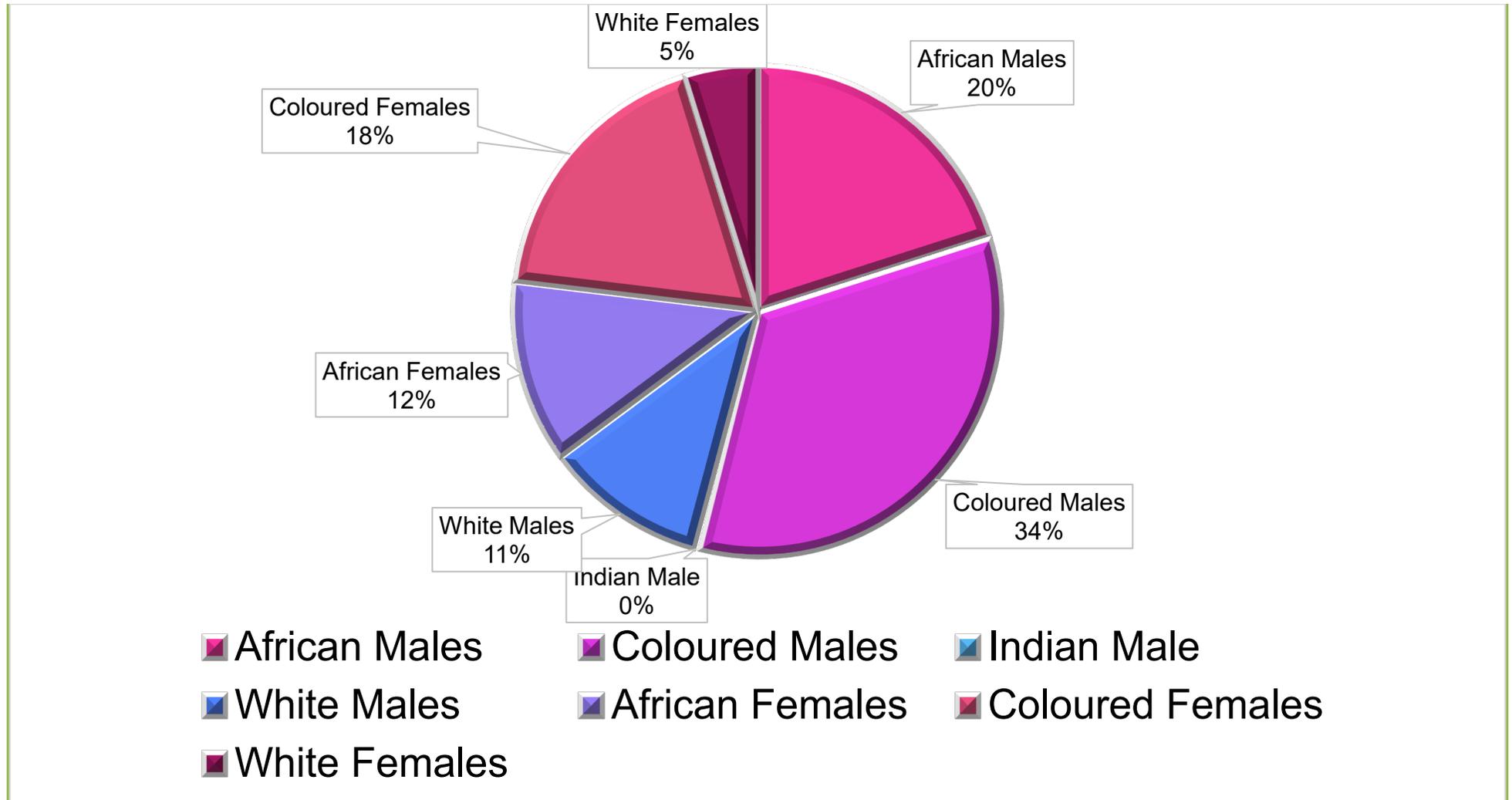
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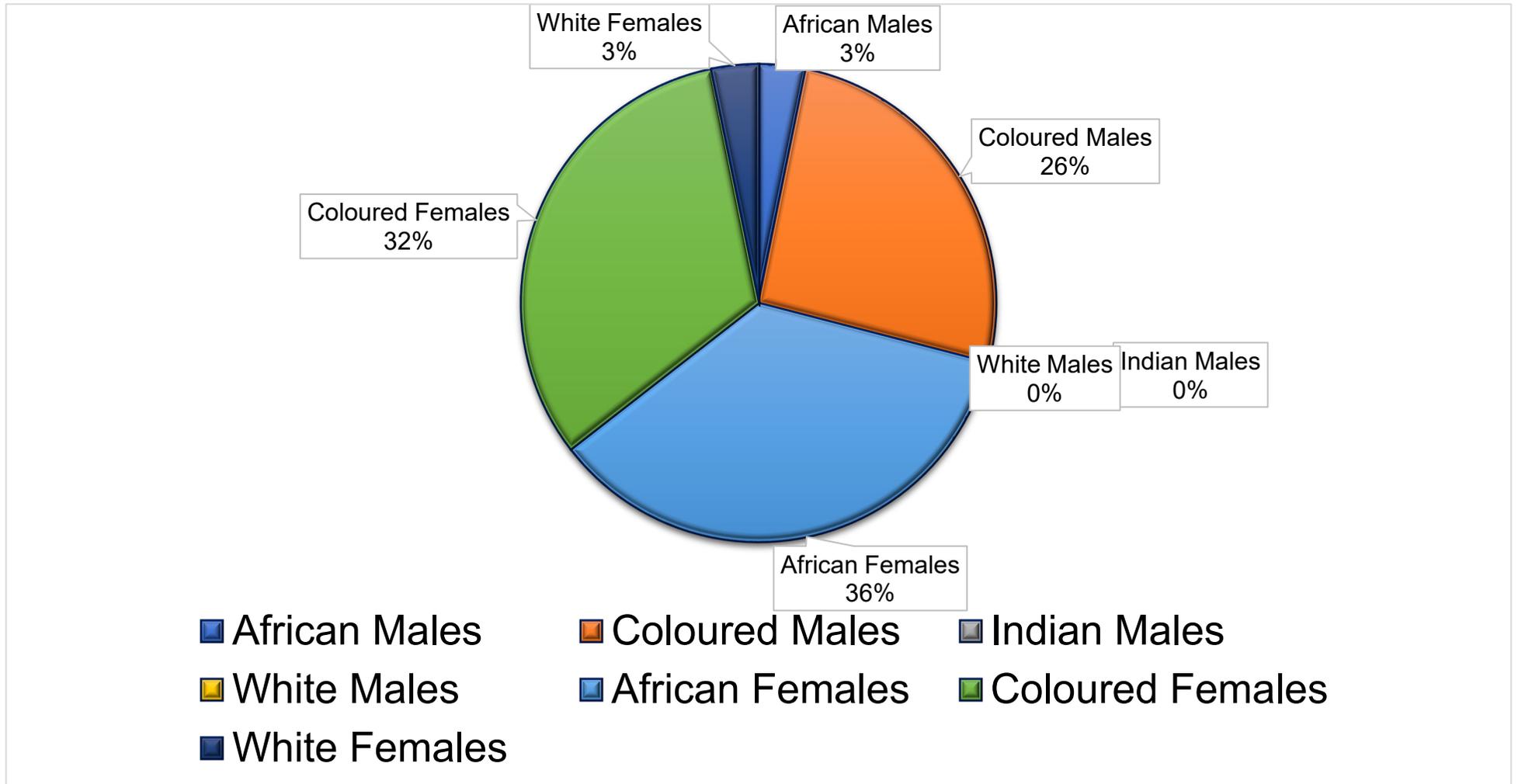
JUNE 2023 WORKFORCE PROFILE COMPARED TO EE TARGETS



JUNE 2023 GENDER WORKFORCE PROFILE



JUNE 2023 TEMPORARY EMPLOYEES



4.2 POLICIES

OFFICE OF THE MUNICIPAL MANAGER'S POLICIES AND PLANS				
No.	Name of Policy	Completed %	Reviewed	Date adopted by Council or comment on failure to adopt
1.	Anti-Corruption Policy Revised CWDM Anti-Corruption and Fraud Prevention Policy and Strategy	100	27 August 2020	27 August 2020
2.	Enterprise Risk Management Policy CWDM Risk Management Policy, Strategy and Risk and Fraud Implementation Plan	100	27 August 2020	27 August 2020
3.	International Relations Policy	100		27 August 2009
4.	Performance Management System Policy and Framework Guide	100	4 December 2014 20 August 2015	25 March 2004
5.	Public Participation Policy	100		20 August 2015
6.	Policy for Municipal Councillors Acting in their capacity as Commissioner of Oath	100		25 February 2021
7.	Branding Policy	100		28 May 2015
8.	Communication Policy and Strategy 2008-2011	100	20 August 2015	6 November 2008
9.	Staff Statements to the Media Policy	100		24 May 2005
10.	Corporate Identity and Branding Policy	100		28 May 2015
FINANCIAL AND STRATEGIC SUPPORT SERVICES POLICIES AND PLANS				
11.	Determination of Policy for Internal Appeal Procedure in terms of section 62 of Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	100		24 March 2003
12.	Grievance Procedure	100		SALGBC
13.	Legal Aid Policy for Councilors and Employees	100		24 May 2005
14.	Mayoral Bursary Fund Policy	100		25 October 2012
15.	Official Vehicles and Fleet Management Policy	100	04 December 2014	25 March 2004
16.	Policy for the Investigation of Allegations of Contraventions of Code of Conduct for Councillors	100		25 March 2004
17.	Telephone Policy for Councillors	100		30 June 2006
18.	Uniforms and Protective Clothing: Support Personnel	100		24 May 2005
19.	Official Vehicles and Fleet Management Policy	100		4 December 2014
20.	Appointment of Consultants Policy	100		28 May 2015
21.	Accounting Policy	100		23 May 2013
22.	Allowances and Benefits for Councillors Policy	100		31 January 2019
23.	Asset Management Policy	100	22 May 2014 28 May 2015 25 May 2017	23 May 2013
24.	Benevolent Fund Policy	100	25 November 2010	27 August 2009
25.	Budget Policy	100		25 July 2013
26.	Cash Management Policy and Investment Policy	100	28 May 2015	26 August 2010
27.	Combating Abuse of Supply Chain Management System Policy	100		28 May 2015
28.	Contract Management Policy	100		28 May 2015
29.	Corporate Gifts Policy	100		28 May 2015
30.	Credit Control, Debt Collection and Indigent Policies	100	28 May 2015	30 September 2009
31.	Expenditure Management Policy	100		28 May 2015
32.	Funding and Reserves Policy	100	28 May 2015	14 April 2011



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33.	GRAP Policy and Procedural Guide	100		31 January 2005
34.	Inventory and Stock Management Policy	100		28 May 2015
35.	Long-term Financial Policy	100		28 May 2015
36.	Petty Cash Policy	100		26 March 2015
37.	Preferential Procurement Policy	100		28 May 2015
38.	Property Rates Policy	100		23 May 2006
39.	Revenue Management Policy	100		20 May 2015
40.	Subsistence and Travel Policy	100	25 November 2010 30 March 2012 25 July 2013	28 January 2010
41.	Supply Chain Management Policy	100	31 July 2014 25 May 2017	27 March 2008
42.	Tariff Policy and Tariff By-law	100		13 November 2003
43.	Telecoms and Cellular Phone Allowance Policy	100		31 January 2019
44.	Transport Allowance Scheme	100	29 January 2015	26 April 2007
45.	Transport Allowance Scheme for Essential Users	100		22 June 2007
46.	Travel and Removal Expenses Policy	100		24 May 2005
47.	Unauthorised Fruitless and Wasteful Expenditure	100		28 May 2015
48.	Unforeseen and Unavoidable Expenditure Policy	100		28 May 2015
49.	Virement Policy	100	28 May 2015 25 May 2017	14 May 2010
HUMAN RESOURCE POLICIES AND PLANS				
50.	Chronic Illness Policy	100		24 May 2005
51.	Code of Conduct for Employees	100		LG: Systems Act
52.	Confidentiality Policy	100		24 May 2005
53.	CWDM Sponsored Work Related Functions Policy	100		24 May 2005
54.	Delegations, Authorisation and Responsibility	100	Under review	15 July 2011
55.	Determination of Policy: Dress Code for Councilors	100		19 February 2004
56.	Employee Assistance Programme Policy	100	21 October 2021	25 April 2012
57.	Employee Driving Licence Assistance Policy	100	27 June 2014	17 February 2011
58.	Employee Study Aid and Leave Policy	100	03 December 2013 21 October 2021 26 May 2022 25 April 2023	24 May 2005
59.	Employment Equity Policy	100		25 May 2023
60.	Education, Training and Development Policy	100	04 December 2014 21 October 2021	24 May 2005
61.	Exit Management Policy	100		26 May 2022
62.	HIV and AIDS Policy	100	25 November 2010	24 May 2005
63.	Individual Performance Management Policy	100	21 October 2021 26 May 2022	28 June 2016
64.	Induction Policy	100	26 May 2022	24 May 2005
65.	Internship Policy	100		28 May 2015
66.	Medical Funds Administration Policy	100		21 October 2021
67.	Mentoring and Coaching Policy	100	26 May 2022	21 October 2021
68.	Nepotism Policy	100		24 May 2005
69.	Occupational Health and Safety Policy	100	21 October 2021	24 May 2005
70.	Post Retirement Medical Aid Benefits Policy			21 October 2021
71.	Probation Period Policy	100		26 May 2022
72.	Private Work Policy	100	Under review	24 May 2005
73.	Recruitment and Selection Policy	100	25 November 2010 13 January 2022 26 May 2022 25 May 2023	24 May 2005

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74.	Scarce Skills and Retention Policy	100	25 May 2023	
75.	Sexual Harassment Policy	100		24 May 2005
76.	Smoking Policy	100		25 November 2010
77.	Sponsorship Policy	100		28 May 2015
78.	Time and Work Attendance Management Policy	100		27 October 2011
79.	Unpaid Leave Policy	100		24 May 2005
80.	Whistleblowing Policy	100		24 May 2005
COMMUNITY DEVELOPMENT AND PLANNING SERVICES POLICIES AND PLANS				
81.	Community Support Policy	100	28 May 2015	29 September 2005
82.	Emergency Nutrition Provision Policy	100		31 January 2013
83.	Fire and Rescue Training Academy Policy	100		4 December 2014
84.	Identifiable and Protective Clothing Policy: Disaster Management	100		24 October 2006
85.	Protective Clothing for Environmental Health Practitioners	100		25 July 2006
86.	Uniform Schedule for the Division: Fire Service	100		25 July 2006
87.	Social Relief of Distress Policy	100		C.15.1 of 25 January 2018
TECHNICAL SERVICES POLICIES AND PLANS				
89.	Electrification of Rural Housing Policy, Consolidate with Water and Sanitation Policy	100	25 February 2015	25 October 2012
90.	Expanded Public Works Policy	100		31 January 2013
91.	Financial Support for the Replacement and Construction of Fencing along the Provincial Roads Network in the jurisdiction area of CWDM	100		3 December 2013
92.	Maintenance Management Policy	100		28 May 2015
93.	Personal Protective Equipment Policy for the Roads Agency Function	100		26 March 2015
94.	Policy for the Provision of Basic Services to Rural Dwellings	100		25 February 2016
95.	PPE Policy for Roads and Mechanical Workshop	100		26 March 2015
96.	Protective Clothing Policy for Personnel: Roads	100		25 July 2006
97.	Baseline Installation Procedures for Operating Systems	100		25 July 2013
98.	Change Management Process	100		24 April 2014
99.	ICT Data Backup and Retention Policy	100		29 June 2017
100.	ICT Disaster Recovery Plan	100		30 March 2012
101.	ICT Operating System Security Controls Policy	100	25 July 2013 24 April 2014	19 September 2016
102.	ICT Service Level Agreement Management	100		29 June 2017
103.	Information and Communication Backup Policy	100	24 April 2014	25 April 2012
104.	Information Technology Security Policy	100		24 May 2005
105.	Internet and E-mail Usage Policy	100		24 May 2005
106.	Municipal Corporate Governance of Information and Communication Technology (ICT) Policy	100		31 May 2018
107.	Mobile Device Policy	100		4 December 2014
108.	Network Security Policy	100	24 April 2014 25 July 2013	25 April 2017
109.	Physical Environmental Security Policy	100		25 July 2013
110.	Telecommunications Policy	100	4 December 2014	24 May 2005
111.	User Account Management Procedures	100		24 April 2014
112.	User Security Policy	100		27 October 2011

4.3 INJURIES

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

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





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NUMBER AND PERIOD OF SUSPENSION				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken, or status of case and reasons why not finalised	Date finalised
HR Officer	Breach of confidentiality	09/04/2023	Disciplinary action could not be finalised, because employee resigned on 30 November 2023.	30/11/2023

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

4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS BY GENDER					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2021/2022	Proportion of beneficiaries within group
				R'000	%
Top Management (MM and Section 56)	Female	1	1	0	100%
	Male	3	3	0	100%
Senior Management (T18 – T19)	Female	0	0	0	0
	Male	0	0	0	0
Professionally qualified and experienced specialists and mid-management (T14 – T17)	Female	0	0	0	0
	Male	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13)	Female	0	0	0	0
	Male	0	0	0	0
Semi-skilled and discretionary decision making (T4 – T8)	Female	0	0	0	0
	Male	0	0	0	0
Unskilled and defined decision making (T1 – T3)	Female	0	0	0	0
	Male	0	0	0	0
Total		0	0	0	100
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

***Payment expenditure in respect of performance rewards is based on 2021/2022 Annual Performance Report**

COMMENT ON PERFORMANCE REWARDS

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

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

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

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

- comply with the provisions of sections 57(1)(b), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties;

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- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the IDP, SDBIP and the budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- in the event of outstanding performance, to appropriately reward the employee; and
- give effect to the employer's commitment to a performance-orientated relationship with its employees in attaining equitable and improved service delivery.

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

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

On 29 June 2017, at Item C.15.1, the Council of the CWDM resolved that performance bonuses in respect of the Municipal Manager and Managers directly accountable to the Municipal Manager be reinstated with effect from 1 July 2017 to 30 June 2018 and that the performance bonuses be considered annually based on financial affordability. It was further resolved that performance bonuses ranging from 5% to 9% based on a score of 130% to 149% and a maximum of 10% based on a score of 150% and above, in terms of Regulation 32(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 be paid to the Municipal Manager and Managers directly accountable to the Municipal Manager and that addendums to the principal performance agreements be entered into between the Executive Mayor and the Municipal Manager and the Municipal Manager and the Managers directly accountable to the Municipal Manager. At a different meeting, in April 2023, Council resolved to increase the maximum bonus percentage to 14%, as stated in the mentioned regulations.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX														
Management Level	Gender	Employees in post as at 30 June 2022	Number Of Skilled Employees Required and Actual as at 30 June 2022											
			Learnerships			Skills Programmes and other Short Courses			Other Forms of Training			Total		
			No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End Of Year 0	Actual: End of Year 1
MM and S56	Female	1	0	0	0	0	0	1	0	0	0	0	0	1
	Male	3	0	0	0	0	0	0	0	0	0	0	0	0
Councilors, senior officials, and managers	Female	24	0	0	0	6	6	16	0	0	0	0	6	16
	Male	37	0	0	0	17	17	18	0	0	0	0	17	18
Technicians and associate professionals	Female	3	2	2	2	0	0	2	0	0	0	2	2	4
	Male	7	5	4	7	0	0	6	0	0	0	5	4	13
Professionals	Female	21	0	0	0	21	20	33	0	0	0	21	20	33
	Male	29	0	0	0	27	25	24	0	0	0	27	25	24
Sub-total	Female	49	2	2	2	27	26	52	0	0	0	29	28	54
	Male	76	5	4	7	44	42	48	0	0	0	49	46	55
Total		125	7	6	9	71	68	100	0	0	0	78	74	109
*Registered with professional associate body, e.g. CA (SA)														73



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FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT						
Description	A. Total Number of Officials Employed by Municipality (Regulation 14(4)(A) and (C))	B. Total Number of Officials Employed by Municipal Entities (Regulation 14(4)(A) and (C))	Consolidated: Total of A and B	Consolidated: Competency Assessments Completed for A and B (Regulation 14(4)(B) and (D))	Consolidated: Total Number of Officials Whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(F))	Consolidated: Total Number of Officials that Meet Prescribed Competency Levels (Regulation 14(4))
Accounting Officer	1	0	1	0	1	1
Chief Financial Officer	1	0	1	0	1	1
Senior Managers	2	0	2	0	2	2
Any other Financial Officials	26	0	26	0	0	26
Heads Of Supply Chain Management Units	1	0	1	0	0	1
Supply Chain Management Senior Managers	1	0	1	0	0	1
TOTAL	32	0	32	0	4	32
SKILLS DEVELOPMENT EXPENDITURE						
R 695 661.98						

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

The CWDM proactively kick-started our effort to ensure full compliance with the MSR regulations and to date, the municipality developed and amended all our relevant policies to ensure compliance to this effect. Training and development is an essential exercise for both the municipality and its employees, as it helps the municipality to gain and retain top talent, increases employee job satisfaction and morale, as well as improve productivity.

The main purpose of organisational capacitation is to ensure that all training initiatives implemented within the CWDM are directly linked to achieving the CWDM IDP objectives as well as to comply with the Municipal Staff Regulations in terms of Chapters 4 and 5, thus, the objectives of skills development include but are not limited to:

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

The actual implementation of planned training at the CWDM is influenced by an array of internal and external factors. With regard to the implementation of planned training within the municipality, there is an 80% to 90% alignment with the training budget correlation between what is planned and what is implemented. During the 2022/2023 financial year, the CWDM embarked on various formal and informal training interventions. The majority of skills programmes were conducted via the 'blended learning approach', combining both virtual/online training and the traditional classroom-led training.

Training and development 2022/2023

Organisational development

To give full effect and to ensure full compliance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) for the 2022/2023 financial year, the CWDM continued the prioritisation of training in Minimum Municipal Competency Levels (MMCL). The CWDM has taken all the reasonable steps towards compliance and to this effect for affected employees that were appointed from 2021 to 2022. These employees together with the affected financial interns commenced with the 18-month MMCL programme in April 2022 (to be finalised by October 2023).

A new MMCL service provider was appointed on a multi-year contract from July 2023 until June 2025. This programme will be conducted for newly appointed affected employees and financial interns (affected by the MMCL) as from August 2023.

An Emotional Intelligence Programme was successfully rolled out for a group of 30 employees across the organisation. The objective of this course was to ensure that these employees have a basic understanding of emotional intelligence to fulfil their job duties more effectively in terms of the following aspects:

- Understanding emotional intelligence;
- How to develop emotional intelligence;
- Building emotional competence;

- Emotional Quotient Inventory (EQ-i 2.0) Model of Emotional Intelligence.

Department: Financial and Strategic Support Services

The Human Resource staff component attended Municipal Staff Regulations Capacity Building workshops in order to equip and empower them with the knowledge and skills to ensure the successful implementation and roll out of the Municipal Staff Regulations throughout the municipality. Various areas were covered, which will assist and support the Human Resource team in having a thorough understanding to implement, roll out, improve, monitor and evaluate the MSR process in terms of the following:

- Municipal staffing regulations; status quo analysis and implementation challenges;
- Organisational design challenges and solutions;
- Human resources management strategy and plan;
- Talent management: retention of key personnel;
- Human resource analytics model to improve the management of human resources.
- Municipal staff regulations audit pack;
- A new focus on individual performance management – the complete development cycle;
- Performance management alignment and reporting;
- Monitoring and evaluation – how to improve efficiencies.

Department: Community Development and Planning Services

The professional development training (online) for environmental health practitioners (EHPS) and emergency workers (firefighters), as required by the Health Professions Council of South Africa (HPCSA), continued, thus ensuring compliance and highly trained, informed and professional officials. This online programme is imperative for enabling EHPs to stay informed in terms of any new legislation and the latest innovations in their field of expertise in order to be competitive and to maintain high-quality services to communities.

Department: Technical Services

With the onset of the Fourth Industrial Revolution, the need for ICT-related training became a priority. In 2022/2023 various training programmes were attended by the ICT officials. This will ensure that the municipality keeps abreast with this dynamic and ever-changing industry. The majority of these ICT courses were conducted via virtual learning, which ensured operational convenience and all hands-on-deck.

In 2021/22, the municipality highlighted the need for a strategic intervention within the Division: Roads. This was a result of our aged staff component, specifically in respect of qualified engineers and technicians. As part of our succession planning process, the municipality identified a pool of potential candidates to embark on two learnerships in order to address this skills shortage and to ensure that a pool of qualified technicians and engineers is available. The National Certificate: Road Construction (NQF 4) and the National Diploma: Road Construction Supervisor (NQF 5) continued and were successfully concluded in November 2022. Upon conclusion, these learners become eligible for internal bursaries (via our Study Aid Programme) to complete their engineering degrees.

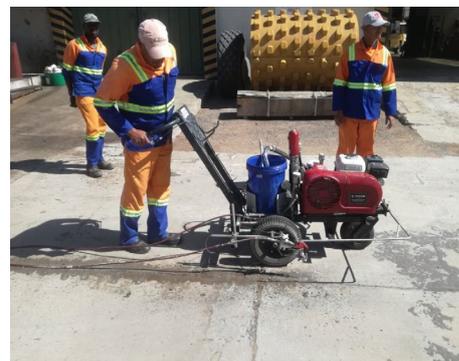
Regulatory developments affecting machine operators, as determined by the Driven Machinery Regulations as per the Occupational Health and Safety Act, gave effect to the implementation of various interdependent technical training programmes. The focus was and will continue to ensure full compliance with the mentioned regulations and associated occupational health and safety legislative requirements for earthmoving and lifting equipment operators. These training programmes focused on the statutory skills required on how to operate various equipment and other heavy machinery, as well as to obtain the required operators' cards.

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The Drivers Licence Training Programme was successfully implemented during the 2022/2023 year, to ensure that officials within the Division: Roads, obtain their Code EC drivers' license.

The small plant programme aimed to equip and empower officials with comprehensive knowledge, skills and safety measures related to small plant equipment. This course also enabled officials to apply the following aspects within their working environment:

- Identify and select small plant and equipment;
- Prepare small plant and equipment for use;
- Utilise small plant and equipment; and
- Maintain small plant and equipment.





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CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 INTRODUCTION TO FINANCIAL STATEMENTS

The CWDM maintained a sound financial position during the 2022/2023 financial year, despite the fact that its own revenue sources remain limited. Currently, being a district municipality unauthorised for water and sanitation, the RSC Levies Replacement Grant (DORA) increases by 1% a year.

Consequently, the CWDM’s financial resources shrink constantly, but it still manages to render basic, dignified, fundamental services to the communities they have been entrusted with by the Constitution of the Republic of South Africa.

FINANCIAL SUMMARY						
Description	2021/2022	2022/2023		2022/2023 Variance		
	Actual	Approved Budget	Final Budget	Actual	Approved Budget	Final Budget
Financial Performance						
Investment Revenue	40.295.365	56.000.000	56.000.000	62.998.758	-12%	-12%
Transfers recognised - operational	253.668.691	257.711.131	257.711.131	256.947.947	0%	0%
Other own revenue	117.639.656	145.669.372	145.669.372	130.344.783	11%	11%
Total Revenue (excluding capital transfers and contributions)	411.603.712	459.380.503	459.380.503	450.291.488	2%	2%
Employee costs	218.978.840	247.768.727	247.764.678	221.173.724	11%	11%
Remuneration of Councillors	12.744.506	13.872.761	13.872.761	13.606.890	2%	2%
Depreciation and amortisation	9.790.052	9.560.700	9.597.336	9.267.126	3%	3%
Other expenditure	135.446.350	188.178.315	188.145.728	156.493.514	17%	17%
Total Expenditure	376.959.748	459.380.503	459.380.503	400.541.254	13%	13%
Surplus/(Deficit)	34.643.965	-	-	49.750.234	#DIV/0!	#DIV/0!
Transfers recognised - capital	983.395	2.123.365	2.123.365	816.856	62%	62%
Surplus/(Deficit) after capital transfers and contributions	35.627.360	2.123.365	2.123.365	50.567.090	-2281%	-2281%
Share of surplus/(deficit) of associate	0	-	-			
Surplus/(Deficit) for the year	35.627.360	2.123.365	2.123.365	50.567.090	-2281%	-2281%

5.2 GRANTS

CONDITIONAL GRANTS: EXCLUDING MIG					
R'000					
Details	Original Budget	Final Budget	Actual	% Variance	
				Budget	Final Budget
EPWP incentive	1.369.000	1.469.000	1.469.000	-7%	0
Local Government Financial Management Grant	1.000.000	1.000.000	1.000.000	0%	0%
Integrated Transport Plan	0	672.322	586.717	0%	13%
Rural Roads Asset Management System	2.877.000	72.000	71.925	98%	0%
Community Development Workers	75.000	151.000	136.885	-83%	9%
Joint District & Metro Approach Grant	0	1.000.000	1.000.000	0%	0%
Local Government Internship Grant	0	46.000	37.800	0%	18%
Safety Plan Implementation - WOSA	1.500.000	1.853.921	1.098.097	27%	41%
WESTERN CAPE MUNICIPAL INTERVENTIONS GRANT	0	100.000	1.518	0%	98%
EMERGENCY MUNICIPAL LOAD-SHEDDING RELIEF GRANT	0	950.000	0	0%	100%
Total	6.821.000	7.314.243	5.401.942	21%	26%

5.3 INTRODUCTION TO ASSET MANAGEMENT

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

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

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS

Refer to Annual Performance Report (Chapter 3 in this document) for more detail.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2022/23					
Division	Original Budget	Adjustment Budget	Actual	% Variance	
				Budget	Adjustments Budget
Admin Support Services	1.813.500.00	966.852.00	965.761.29	47%	0%
Property Management	20.000.00	4.400.00	4.400.00	78%	0%
Transport Pool	4.440.000.00	-	-	100%	0%
Councillor Support	-	-	-	0%	0%
Human Resource Management	2.500.000.00	146.480.00	146.480.00	94%	0%
Management Financial Services	-	11.890.00	11.890.00	0%	0%
Disaster Management	11.845.000.00	1.030.520.00	-	100%	100%
Fire Services	24.772.000.00	13.085.958.00	12.043.054.90	51%	8%
Municipal Health Services	180.000.00	184.525.00	184.524.50	-3%	0%
Management Rural and Social	5.000.00	6.000.00	4.999.99	0%	17%
Building Maintenance	6.350.000.00	5.059.079.00	1.942.778.13	69%	62%
Projects	64.000.000.00	4.000.000.00	1.565.585.00	0%	61%
Management: Engineering	-	62.261.00	62.260.03	0%	0%
Public Relations	200.000.00	237.542.00	163.329.79	18%	31%
Information Technology	5.930.000.00	5.118.458.00	2.824.144.58	52%	45%
Roads	2.127.900.00	1.173.366.00	816.856.26	62%	30%
Total	124.183.400.00	31.087.331.00	20.736.064.47	83%	33%

5.6 REVENUE COLLECTION BY SOURCE

Revenue Collection Performance by Source						
R' 000						
Details	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Approved Budget	Final Budget	Actual	Approved Budget	Final Budget
Property Rates	-	-	-	-	-	-
Property Rates - penalties and collection charges	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-
Rental of facilities and equipment	229.048	240.000	240.000	91.087	62%	62%
Interest earned - external investments	40.295.365	56.000.000	56.000.000	62.998.758	-12%	-12%
Licences and permits	739.566	653.000	653.000	693.504	-	-
Agency services	106.979.783	129.831.218	129.831.218	117.789.784	9%	9%
Transfers recognised - operational	253.668.691	257.711.131	257.711.131	256.947.947	0%	0%
Other income	9.691.259	14.945.154	14.945.154	11.770.407	21%	21%
Total Revenue	411.603.712	459.380.503	459.380.503	450.291.488	2%	2%
(excluding capital transfers and contributions)						
Transfers recognised - capital	983.395	2.127.900	2.123.365	816.856		
Total Revenue	412.587.107	461.508.403	461.503.868	451.108.344		

5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2022/2023	
Asset 1	
Name	DC02_4*4 Double cab (Replacement)
Description	4*4 Double cab
Asset type	Vehicle
Key staff involved	
Staff responsibilities	
Asset value	6.829.334
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy
Asset 2	
Name	DC02_Forward control vehicle (Replacement)
Description	Forward control vehicle
Asset type	Vehicle
Key staff involved	
Staff responsibilities	
Asset value	4.050.644
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy
Asset 3	
Name	DC02_Regional Landfill Site
Description	Solid waste removal
Asset type	Infrastructure
Key staff involved	
Staff responsibilities	
Asset value	1.565.585
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy



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COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

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

5.9 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2021/2022	2022/2023		
	Audited Outcome	Approved Budget	Final Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Other Revenue	86.557.801	194.548.677	194.548.677	113.815.100
Government - operating	253.284.230	256.462.888	256.462.888	256.507.299
Government – capital	0	2.123.365.00	2.123.365.00	950.000
Interest	34.764.396	62.000.000	62.000.000	50.459.745
Payments				
Suppliers and employees	-328.274.530	-486.666.481	-486.666.481	- 365.559.313
Transfer and grants	-16.988.386	-15.533.301	-15.533.301	- 12.400.174
	-345.262.916	-502.199.782	-502.199.782	- 377.959.487
NET CASH FROM/(USED) OPERATING ACTIVITIES	29.343.511	12.935.148	12.935.148	43.772.657
Cash flows from investing activities				
Proceeds on disposal of PPE	-	-	-	92.365
Capital assets	- 5.168.369.00	-31.087.331	-31.087.331	- 12.652.011
Decrease (increase) in non-current investments	-	-	-	- 178.000.000
NET CASH FROM/(USED) INVESTMENT ACTIVITIES	-5.168.369	-31.087.331	-31.087.331	-190.559.646
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short-term Loans	-	-	-	-
Borrowing Long Term/Refinancing	-	-	-	-
Increase (Decrease) in Consumer Deposits	-	20.000.00	20.000.00	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	20.000.00	20.000.00	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	24.175.142	-18.172.183	-18.172.183	- 146.786.989.00
Cash/Cash Equivalents at the beginning of the Year	766.153.639	790.328.779	790.328.779	790.328.779
Cash/Cash Equivalents at the Year-end	790.328.781	772.156.596	772.156.596	643.541.790

5.10 BORROWING AND INVESTMENTS

The CWDM has no outstanding loans.



2022/2023 ANNUAL REPORT

COMPONENT D: OTHER FINANCIAL MATTERS

None.



2022/2023 ANNUAL REPORT

CHAPTER 6 - AUDITOR-GENERAL'S FINDINGS

Refer to attached report.



COVERING LETTER FOR SUBMISSION OF AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE

The Municipal Manager
Cape Winelands District Municipality
46 Alexander Street
7599

30 November 2023

Reference: 21419REG22-23

Dear Sir

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Cape Winelands District Municipality for the year ended June 2023

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa and section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as it is finalised. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the auditor's report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in

the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter.
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



.....
Senior Manager: Western Cape

Enquiries: Masixole Velem
Telephone: (021) 528 4105 / (067) 641 2587
Email: MasixoleV@agsa.co.za

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Cape Winelands District Municipality set out on pages 6 to 97, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Winelands District Municipality as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the Standard of Generally Recognised Accounting Practise (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

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

Emphasis of matter

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

Uncertainty relating to future outcomes of claims against the public entity

7. With reference to note 40 to the financial statements, the municipality is the defendant in various ongoing litigation and claims. The ultimate outcome of these cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Other matters

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

Unaudited disclosure notes

9. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

10. The supplementary information set out on pages 98 to 103 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
12. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objective presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following objective presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected the objective that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page numbers	Purpose
Objective 2 – Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities	9 - 11	To promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities

17. I evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there are adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
20. I did not identify any material findings on the reported performance information of the objective.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

Report on compliance with legislation

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to the financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
26. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

27. The accounting officer is responsible for the other information included in the annual report. The other information referred to, does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

Auditor General

Cape Town

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected objective and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 19(b), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Preferential Procurement Policy Framework Act 5 of 2000	Section 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



2022/2023 ANNUAL REPORT

CHAPTER 7 – ANNUAL FINANCIAL STATEMENTS

Refer to attached report.

Annual Financial Statements



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

General Information

Legal form of entity

Municipality (MFMA)

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

Nature of business and principal activities

The municipality is a local authority that -

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

Mayoral Committee

Ald. (Dr.) H. VON SCHLICHT (EXECUTIVE MAYOR)

Ald. M. SAMPSON (DEPUTY EXECUTIVE MAYOR)

Cllr. D.D. JOUBERT (SPEAKER)

Cllr. D. SWART

Cllr. G.J. CARINUS

Cllr. E. GROENEWALD

Cllr. W.C. PETERSEN

Cllr. X.L. MDEMKA

Cllr. J.H.P. STEYN

Ald. C. MEYER

Cllr. R. FARAO

Other Councillors

Cllr. W.M. BLOM

Cllr. D.W. NEL

Cllr. N.D. SAUERMAN

Cllr. C.F. WILSKUT

Cllr. G.J. FREDERICKS

Cllr. J. KRIEL

Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

General Information

	Cllr. S. GOEDEMAN
	Cllr. V. HANI
	Cllr. M. LIEBENBERG
	Cllr. J. MALITI
	Cllr. T.R. MPULANYANA
	Cllr. L. NGWANE
	Cllr. A.J. PEDRO
	Cllr. M. SMIT
	Cllr. M.H. YABO
	Cllr. N.M. BUSHWANA
	Cllr. C.O. KLAASTE
	Cllr. A.J. DU PLESSIS
	Cllr. F. JACOBS
	Cllr. D.B. JANSE
	Cllr. J.J.S. JANUARIE
	Cllr. C. MANUEL
	Cllr. R.S. NALUMANGO
	Cllr. N. PHATSOANE
	Cllr. A.M. RICHARDS
	Cllr. J. SMIT
	Cllr. R. SMUTS (Resigned - 31/07/2022)
	Cllr. M. VAN STADE
	Cllr. P. DANIELS
	Cllr. L. LANDU (Appointed - 12/08/2022), (Resigned - 01/03/2023)
	Cllr. P.T. DE VILLIERS (Appointed - 13/01/2023), (Resigned - 22/05/2023)
	Cllr. S.E. KORABIE (Appointed - 24/03/2023)
	Cllr. D. CAROLISSEN (Appointed 25/05/2023)
Grading of local authority	GRADE 4 MEDIUM CAPACITY
Accounting Officer	H.F. PRINS
Chief Finance Officer (CFO)	F.A. DU RAAN - GROENEWALD
Registered office	46 ALEXANDER STREET STELLENBOSCH 7600
Postal address	P.O.BOX 100 STELLENBOSCH 7599
Telephone	0861 265 263
Bankers	NEDBANK
Auditors	AUDITOR-GENERAL OF SOUTH AFRICA (AGSA)

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Index

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

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Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

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Abbreviations and acronyms:

ASB	Accounting Standards Board
Cllr.	Councillor
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
CWDM	Cape Winelands District Municipality
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
SARS	South African Revenue Services
LG SETA	Local Government Sector Education and Training Authority
RUL	Remaining estimated useful live
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
IFRIC	International Financial Reporting Interpretations Committee
IPSASB	International Public Sector Accounting Standards Board
RRAMS	Rural Roads Asset Management System
PRMA	Post Retirement Medical Aid
VAT	Value-Added Tax
WCA	Workmen's Compensation Assistance
WCG	Western Cape Government
IFRS	International Financial Reporting Standards
SAMWU	South African Municipal Workers Union
B-BBEE	Broad-Based Black Economic Empowerment
PAYE	Pay As You Earn
SDL	Skills Development Levy
Ald.	Alderman

Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

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

The financial statements have been prepared in accordance with generally recognised accounting practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The financial statements set out on pages 6 to 97, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023.



H.F. PRINS
ACCOUNTING OFFICER

Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	643,541,787	790,328,779
Other receivables from exchange transactions	4	57,400,095	46,814,055
Trade receivables from exchange transactions	5	24,323	-
Inventories	6	2,603,433	1,978,517
VAT receivable	7	2,693,524	2,455,080
Receivables from non-exchange transactions	8	84,892	122,441
Employee benefit asset	14	575,785	2,721,827
		706,923,839	844,420,699
Non-Current Assets			
Property, plant and equipment	9	158,347,014	148,467,565
Intangible assets	10	491,935	566,615
Other receivables from exchange transactions	4	6,349,282	-
Employee benefit asset	14	-	5,212,822
Investments	11	178,000,000	-
		343,188,231	154,247,002
		343,188,231	154,247,002
Non-Current Assets		343,188,231	154,247,002
Current Assets		706,923,839	844,420,699
Total Assets		1,050,112,070	998,667,701
Liabilities			
Current Liabilities			
Unspent conditional grants and receipts	12	1,912,302	5,776,226
Payables from exchange transactions and Other	13	14,584,815	5,828,026
Employee benefit obligation	14	38,247,946	37,067,065
Provisions	16	57,000	43,276
		54,802,063	48,714,593
Non-Current Liabilities			
Employee benefit obligation	14	144,626,130	149,836,320
		144,626,130	149,836,320
Non-Current Liabilities		144,626,130	149,836,320
Current Liabilities		54,802,063	48,714,593
Total Liabilities		199,428,193	198,550,913
Assets		1,050,112,070	998,667,701
Liabilities		(199,428,193)	(198,550,913)
Net Assets		850,683,877	800,116,788
Accumulated surplus	15	850,683,877	800,116,788

* See Note 33

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	17	138,396	182,762
Rental of facilities and equipment	18	91,087	229,048
Roads services	19	117,033,414	105,635,889
Other income	20	1,256,063	1,311,127
Interest received - investment	21	62,998,758	40,295,365
Total revenue from exchange transactions		181,517,718	147,654,191
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	22	257,206,294	253,274,643
Public contributions and donations	23	251,005	938,667
Total revenue from non-exchange transactions		257,457,299	254,213,310
Total revenue		438,975,017	401,867,501
Expenditure			
Employee-related costs	24	(208,820,177)	(206,152,202)
Remuneration of Councillors	25	(13,606,889)	(12,744,505)
Depreciation and amortisation	26	(9,267,126)	(9,787,961)
Finance costs	28	(13,454,000)	(13,896,000)
Lease rentals on operating lease		(298,157)	(298,157)
Debt impairment	27	(102,220)	(113,215)
Transfers and subsidies	29	(12,400,175)	(16,988,386)
Contracted services	30	(40,569,376)	(33,225,096)
Loss on disposal of assets and liabilities		(1,571,805)	(132,468)
Inventory losses/write-downs		(158,000)	(49,320)
General expenses	31	(88,160,002)	(73,765,878)
Total expenditure		(388,407,927)	(367,153,188)
Surplus for the year		50,567,090	34,714,313

* See Note 33

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / (deficit)	Total net assets
Opening balance as previously reported	764,915,028	764,915,028
Correction of errors (33)	487,449	487,449
Balance at 30 June 2021	765,402,476	765,402,476
Changes in net assets		
Prior period error	(902,045)	(902,045)
Surplus for the year	35,616,357	35,616,357
Total changes	34,714,312	34,714,312
Restated* Balance at 30 June 2022	800,116,787	800,116,787
Changes in net assets		
Surplus for the year	50,567,090	50,567,090
Total changes	50,567,090	50,567,090
Balance at 30 June 2023	850,683,877	850,683,877
Note(s)	15 & 33	

* See Note 33

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		113,815,100	86,557,801
Grants		257,457,299	253,284,230
Interest income		50,459,745	34,764,396
		<u>421,732,144</u>	<u>374,606,427</u>
Payments			
Employee costs		(218,964,509)	(210,868,541)
Suppliers		(145,388,089)	(121,649,870)
Other payments: Remuneration of Councillors		(13,606,890)	(12,744,505)
		<u>(377,959,488)</u>	<u>(345,262,916)</u>
Net cash flows from operating activities	34	<u>43,772,656</u>	<u>29,343,511</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(12,508,011)	(5,130,212)
Proceeds from sale of property, plant and equipment	9	92,365	-
Purchase of intangible assets	10	(144,000)	(38,157)
		<u>(12,559,646)</u>	<u>(5,168,369)</u>
Net cash flows from investing activities		<u>(12,559,646)</u>	<u>(5,168,369)</u>
Cash flows from financing activities			
Investments	11	(178,000,000)	-
		<u>(178,000,000)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>(146,786,990)</u>	<u>24,175,142</u>
Cash and cash equivalents at the beginning of the year		790,328,779	766,153,639
Cash and cash equivalents at the end of the year	3	<u>643,541,789</u>	<u>790,328,781</u>

* See Note 33

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Rental of facilities and equipment	240,000	-	240,000	91,087	(148,913)	Note 46
Licences and permits	653,000	-	653,000	693,504	40,504	Note 45
Interest received - investment	56,000,000	-	56,000,000	62,998,758	6,998,758	Note 46
Agency services	129,831,218	-	129,831,218	117,789,784	(12,041,434)	Note 45
Other revenue	14,945,154	-	14,945,154	11,770,408	(3,174,746)	Note 45 & 46
Transfers and subsidies	257,711,131	-	257,711,131	256,947,947	(763,184)	Note 45
Total Revenue (excluding capital transfers and contributions)	459,380,503	-	459,380,503	450,291,488	(9,089,015)	

Expenditure

Employee related costs	(247,768,727)	4,049	(247,764,678)	(221,173,724)	26,590,954	Note 45 & 46
Remuneration of Councillors	(13,872,761)	-	(13,872,761)	(13,606,889)	265,872	
Debt impairment	(500,000)	397,779	(102,221)	(102,220)	1	
Depreciation and amortisation	(9,560,700)	(36,636)	(9,597,336)	(9,267,126)	330,210	
Inventory consumed	(33,956,853)	(4,140,870)	(38,097,723)	(36,914,883)	1,182,840	Note 45
Contracted services	(61,179,565)	5,853,777	(55,325,788)	(40,641,300)	14,684,488	Note 45 & 46
Transfers and subsidies	(15,533,301)	(217,400)	(15,750,701)	(12,400,175)	3,350,526	Note 46
Other expenditure	(76,996,596)	(115,000)	(77,111,596)	(64,705,133)	12,406,463	Note 45 & 46
Losses	(12,000)	(1,745,699)	(1,757,699)	(1,729,804)	27,895	Note 45
Total expenditure	(459,380,503)	-	(459,380,503)	(400,541,254)	58,839,249	

Surplus/ (Deficit)

	-	-	-	49,750,234	49,750,234	
Transfers and subsidies - capital (monetary allocations) (national / provincial and district)	2,123,365	-	2,123,365	816,856	(1,306,509)	Note 45 & 46
Surplus/ Deficit for the year	2,123,365	-	2,123,365	50,567,090	48,443,725	

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Cash	3,656,596	-	3,656,596	4,041,786	385,190	Note 45 & 46
Call investments deposits	768,500,000	-	768,500,000	639,500,000	(129,000,000)	Note 45 & 46
Consumer debtors	26,190,056	-	26,190,056	31,197,252	5,007,196	Note 45 & 46
Other debtors	16,335,629	-	16,335,629	35,258,930	18,923,301	Note 45 & 46
Current portion of long term-receivable	2,721,827	-	2,721,827	575,785	(2,146,042)	Note 46
Inventory	1,663,327	-	1,663,327	2,603,433	940,106	Note 46
	819,067,435	-	819,067,435	713,177,186	(105,890,249)	

Non-Current Assets

Investment	-	-	-	178,000,000	178,000,000	Note 46
Property, plant and equipment	169,643,354	-	169,643,354	158,347,015	(11,296,339)	
Intangible assets	404,915	-	404,915	491,936	87,021	Note 46
Other non-current assets	5,212,822	-	5,212,822	-	(5,212,822)	Note 46
	175,261,091	-	175,261,091	336,838,951	161,577,860	

Current Assets	819,067,435	-	819,067,435	713,177,186	(105,890,249)	
Non-Current Assets	175,261,091	-	175,261,091	336,838,951	161,577,860	
Total Assets	994,328,526	-	994,328,526	1,050,016,137	55,687,611	

Liabilities

Current Liabilities

Consumer deposits	-	-	-	22,500	22,500	Note 45 & 46
Trade and other payables	2,993,732	-	2,993,732	18,537,018	15,543,286	Note 45 & 46
Provisions	42,480,923	-	42,480,923	36,146,612	(6,334,311)	Note 45 & 46
	45,474,655	-	45,474,655	54,706,130	9,231,475	

Non-Current Liabilities

Provisions	146,199,123	-	146,199,123	144,626,130	(1,572,993)	
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Total Liabilities	191,673,778	-	191,673,778	199,332,260	7,658,482	
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Net Assets	802,654,748	-	802,654,748	850,683,877	48,029,129	
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Reserves

Reserves	79,307,026	-	79,307,026	66,387,818	(12,919,208)	Note 45 & 46
Accumulated surplus	723,347,722	-	723,347,722	784,296,059	60,948,337	Note 45

Total Net Assets	802,654,748	-	802,654,748	850,683,877	48,029,129	
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Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Other Revenue	194,548,677	-	194,548,677	113,815,100	(80,733,577)	Note 46
Transfers and subsidies - Operational	256,462,888	-	256,462,888	256,507,299	44,411	
Transfers and subsidies - Capital	2,123,365	-	2,123,365	950,000	(1,173,365)	Note 46
Interest	62,000,000	-	62,000,000	50,459,745	(11,540,255)	Note 46
	515,134,930	-	515,134,930	421,732,144	(93,402,786)	
Payments						
Suppliers and employees	(486,666,481)	-	(486,666,481)	(365,559,313)	121,107,168	Note 45 & 46
Transfer and grants	(15,533,301)	-	(15,533,301)	(12,400,174)	3,133,127	Note 45 & 46
	(502,199,782)	-	(502,199,782)	(377,959,487)	124,240,295	
Net cash flows from operating activities	12,935,148	-	12,935,148	43,772,657	30,837,509	
Cash flows from investing activities						
Capital assets	(31,087,331)	-	(31,087,331)	(12,652,011)	18,435,320	Note 46
Proceeds from sale of property, plant and equipment	-	-	-	92,365	92,365	Note 46
Purchase of intangible assets	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	(178,000,000)	(178,000,000)	Note 46
Net cash flows from investing activities	(31,087,331)	-	(31,087,331)	(190,559,646)	(159,472,315)	
Cash flows from financing activities						
Increase/ (decrease) in consumer deposits	(20,000)	-	(20,000)	-	20,000	Note 46
Net increase in cash and cash equivalents	(18,172,183)	-	(18,172,183)	(146,786,989)	(128,634,806)	
Cash and cash equivalents at the beginning of the year	790,328,779	-	790,328,779	790,328,779	-	
Cash and cash equivalents at the end of the year	772,156,596	-	772,156,596	643,541,790	(128,634,806)	

1. Presentation of Annual Financial Statements

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

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

All figures have been rounded off to the nearest Rand.

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

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

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

1.1 Significant judgements and sources of estimation uncertainty

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

Receivables

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

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

Impairment testing

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

Value in use of cash generating assets:

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

Value in use of non-cash generating assets:

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

Useful lives of property, plant and equipment and other assets

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

Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in note 14.

Effective interest rate

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

Allowance for impairment

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

Allowance for slow moving, damaged and obsolete inventory

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 16.

Impairment of statutory receivables

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

Accounting by principals and agents

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

1.2 Reserves

Internal ring-fenced reserves

Capital replacement reserve (CRR)

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

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

Accounting Policies

1.2 Reserves (continued)

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

Government grant reserve

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

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

Accumulated Surplus

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

1.3 Cash and cash equivalents

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

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

Amounts recovered from the WCG, Department of Transport and Public Works (Department of Infrastructure), in respect of the future medical liability of the road staff are included in the balance of cash and cash equivalents.

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment are initially measured at cost.

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

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

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

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

Accounting Policies

1.4 Property, plant and equipment (continued)

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

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

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

Depreciation

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

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

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

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

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

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

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

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

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

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

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

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

Accounting Policies

1.4 Property, plant and equipment (continued)

Expected useful life

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

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

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

Intangible assets are initially recognised at cost.

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

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

Accounting Policies

1.5 Intangible assets (continued)

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Useful life
Computer software, other	3 - 15 years

Intangible assets are derecognised:

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

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

1.6 Heritage assets

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

Recognition

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

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

Heritage assets are accounted for in accordance with GRAP on property, plant and equipment (GRAP 17). Refer to accounting policy 1.4.

The municipality has the following registered heritage assets:

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

Impairment

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

External sources:

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

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

Internal sources:

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

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

Accounting Policies

1.7 Changes in accounting policies and, estimates, and correction of errors

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

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

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

1.8 Financial instruments

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

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

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

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

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

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

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

Accounting Policies

1.8 Financial instruments (continued)

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Accounting Policies

1.8 Financial instruments (continued)

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

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

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

Reclassification

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

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

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

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

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

Fair value measurement considerations

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

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

Gains and losses

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

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

Accounting Policies

1.8 Financial instruments (continued)

Impairment and uncollectibility of financial assets

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

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

Financial assets measured at amortised cost

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

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

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

Financial liabilities

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

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

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

Accounting Policies

1.9 Statutory receivables

Identification

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

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

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

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

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Other charges

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

Impairment losses

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

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

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

Accounting Policies

1.9 Statutory receivables (continued)

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

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

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

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

Derecognition

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

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

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

1.10 Leases

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

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

Finance leases - lessee

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

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

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

Operating leases - lessor

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

Cape Winelands District Municipality

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Accounting Policies

1.10 Leases (continued)

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

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

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

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

Operating leases - lessee

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

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

Any contingent rent is expensed in the period in which it is incurred.

1.11 Inventories

Inventories consist of unsold properties and consumables.

Initial measurement

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

Subsequent measurement

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

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

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

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

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

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

Derecognition

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

Cape Winelands District Municipality

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Accounting Policies

1.11 Inventories (continued)

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

1.12 Grants in aid

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

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

1.13 Events after reporting date

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

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

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

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

1.14 Budget information

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

The approved budget covers the period from 01/07/2022 to 30/06/2023.

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

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

1.15 Related parties

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

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

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

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

Accounting Policies

1.15 Related parties (continued)

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

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

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

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

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

1.16 Value Added Tax

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

1.17 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

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

Identification

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

Accounting Policies

1.17 Impairment of cash-generating assets (continued)

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

Value in use

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

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

Discount rate

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

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

An impairment loss is recognised immediately in surplus or deficit.

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

Cash-generating units

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

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

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

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

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

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

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

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

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

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

Accounting Policies

1.17 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

1.18 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

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

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

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated based on such cost, to reflect the already consumed or expired service potential of the asset.

Accounting Policies

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

Reversal of an impairment loss

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

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

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

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

1.19 Provisions and contingencies

Provisions are recognised when:

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

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

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 earthworks as published by Statistics South Africa.

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

Accounting Policies

1.19 Provisions and contingencies (continued)

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

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

A contingent liability:

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

1.20 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.21 Revenue from exchange transactions

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

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

Measurement

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

Rendering of services

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

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

Accounting Policies

1.21 Revenue from exchange transactions (continued)

Agency fees are recognised to the extent of work performed.

Interest

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

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

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

1.22 Revenue from non-exchange transactions

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

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

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

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

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

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

Recognition

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

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

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

Measurement

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

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

Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

Transfers

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

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

Gifts and donations, including goods in-kind

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

1.23 Borrowing costs

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

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

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 33 for detail.

1.25 Unauthorised expenditure

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

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

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

1.26 Fruitless and wasteful expenditure

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

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

1.27 Irregular expenditure

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

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

Accounting Policies

1.28 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in GRAP) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for services rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accounting Policies

1.28 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) that are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Long term receivable

When, and only when, it is virtually certain that another party will reimburse some or all the expenditure required to settle a defined benefit obligation, a municipality shall recognise its right to reimbursement as a separate asset. The municipality shall measure the asset at fair value. In all other respects, the municipality shall treat that asset in the same way as plan assets. In the statement of financial performance, the expense relating to a defined benefit plan may be presented net of the amount recognised for a reimbursement.

The municipality recognised a long-term receivable relating to the recoveries from the Department of Transport and Public Works in respect of the post-employment medical benefit relating to the roads staff.

The assumptions used by the actuaries to calculate the portion of the roads staff are the same as that used to calculate the amount of the liability relating to the post-employment medical aid.

Multi-employer plans

The entity classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined benefit plan, the entity accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan that is a defined benefit plan, the entity accounts for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the entity recognised actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation, which arises because the benefits are one period closer to settlement.

Accounting Policies

1.28 Employee benefits (continued)

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability, the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate that reflects the time value of money.

Any adjustments arising from the limit above are recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

Accounting Policies

1.28 Employee benefits (continued)

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

The amount recognised as a liability for other long-term service awards is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.29 Investments

Investments are long-term investments that are held with registered banking institutions with a maturity period of more than twelve months. Long-term investments are recorded at amortised cost in the annual financial statements and approximate their fair values.

Accounting Policies

1.30 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.31 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Management uses only one measure of a segment's surplus or deficit, the segment's assets, or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities that are reported in terms of that measure.

Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2023 or later periods:

Guideline: Guideline on Accounting for Landfill Sites

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the Constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the guideline also illustrates the accounting for the land in a landfill, the landfill site asset, and the related rehabilitation provision.

The effective date of the guideline is for years beginning on or after 01 April 2023.

The municipality expects to adopt the guideline for the first time in the 2023/2024 annual financial statements.

The impact of this standard is currently being assessed.

GRAP 25 (as revised): Employee Benefits

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standards (IAS) on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise; and
- Required the recognition of past service costs in the year that a plan is amended, rather than based on whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The effective date of these improvements is 01 April 2023.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The municipality expects to adopt the improvements for the first time in the 2023/2024 annual financial statements.

The impact of these improvements is currently being assessed.

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, several concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of these improvements is 01 April 2023.

The municipality expects to adopt the improvements for the first time in the 2023/2024 annual financial statements.

The impact of these improvements is currently being assessed.

GRAP 2020: Improvements to the standards of GRAP 2020

Every three years, the Accounting Standards Board undertakes periodic revisions of the Standards of GRAP, in line with best practice internationally among standard setters.

Improvements to Standards of GRAP are aimed at aligning the Standards of GRAP with international best practice, to maintain the quality and to improve the relevance of the Standards of GRAP.

Amendments include-

GRAP 5 – Borrowing Costs

- For general borrowings, borrowing costs eligible for capitalisation determined by applying a capitalisation rate;
 - Clarify that borrowings made specifically for purposes of obtaining a qualifying asset are excluded until substantially all the activities necessary to prepare asset for intended use or sale are complete.

GRAP 13 – Leases

- Operating leases and sale and leaseback transactions are currently assessed for impairment in accordance with GRAP 26; and
- Clarify that these arrangements may also be assessed in accordance with GRAP 21.

GRAP 16 – Investment Property

- Clarify that GRAP 21 may be applied to assess investment property for impairment; and
- Include heading “Classification of property as investment property” (paragraphs 6 and 7) and delete existing headings.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

- Investment property under construction (within scope of GRAP 16)
 - Added heading "Guidance on initially measuring self-constructed investment property at fair value"
 - Added clarification that investment property is measured at fair value at earliest of:
 - o completion of construction or development; or
 - o when fair value becomes reliably measurable
- Clarify requirements on transfers to and from Investment property
 - Change in use involves an assessment on whether:
 - o property meets, or ceases to meet definition of investment property and
 - o evidence exists that a change in use has occurred
 - List of examples of a change in use is regarded as non-exhaustive

GRAP 17 – Property, Plant and Equipment

- Delete example indicating that quarries and land used for landfill may be depreciated in certain instances
 - Land has an unlimited useful life and cannot be consumed through its use

GRAP 20 – Related Party Disclosures

- Clarify that entity, or any member of a group of which it is part, providing management services to reporting entity (or controlling entity of reporting entity) is a related party
 - Disclose amounts incurred by the entity for the provision of management services that are provided by a separate management entity
 - If an entity obtains management services from another entity ("the management entity") the entity is not required to apply the requirements in paragraph .35 to the remuneration paid or payable by the management entity to the management entity's employees or those charged with governance of the entity in accordance with legislation, in instances where they are required to perform such functions
 - Management services are services where employees of the management entity perform functions as "management" as defined

GRAP 24 – Presentation of Budget Information in Financial Statements

- Terminology amended
 - Primary financial statements amended to "financial statements" or "face of the financial statements"

GRAP 31 – Intangible Assets

- Extend requirement to consider whether reassessing useful life of intangible asset as finite rather as indefinite indicates that asset may be impaired
 - Both under cost model or revaluation model

GRAP 32 – Service Concession Arrangements: Grantor

- Clarify disclosure requirement for service concession assets
 - Disclose carrying amount of each material service concession asset recognised at the reporting date

GRAP 37 – Joint Arrangements

- Application guidance clarified
 - When a party obtains joint control in a joint operation where activity of joint operation constitutes a function (GRAP 105 or GRAP 106), previously held interest in the joint operation is not remeasured

GRAP 106 – Transfer of Functions Between Entities Not Under Common Control

- When party obtains control of joint operation and entity had rights to assets, or obligations to liabilities before acquisition date, it comprises an acquisition achieved in stages
 - Apply the requirements for an acquisition achieved in stages, including remeasuring previously held interest in joint operation

Directive 7 – The Application of Deemed Cost

- Clarify that bearer plants within scope of Directive

The effective date of these improvements is 01 April 2023.

The municipality expects to adopt the improvements for the first time in the 2023/2024 annual financial statements.

The impact of these improvements is currently being assessed.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1.

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

A municipality applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2023.

The municipality expects to adopt the amendment for the first time in the 2023/2024 annual financial statements.

The impact of these improvements is currently being assessed.

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	7,541,787	24,328,779
Short-term investments	636,000,000	766,000,000
	643,541,787	790,328,779

Included in the balance of cash and cash equivalents is an amount of R42 023 830 (2022: R35 961 349) relating to the portion recovered from the WCG, Department of Transport and Public Works (Department of Infrastructure), in respect of the future medical aid liability of the roads staff.

Included in the balance of cash and cash equivalents is an amount relating to unspent conditional grants (refer to note 12).

No cash and cash equivalents have been pledged as security.

Short-term investments

ABSA - Investment

Opening balance	164,000,000	148,000,000
Movement for the year	(80,000,000)	16,000,000
	84,000,000	164,000,000

FNB - Investment

Opening balance	129,000,000	137,000,000
Movement for the year	15,000,000	(8,000,000)
	144,000,000	129,000,000

INVESTEC - Investment

Opening balance	139,000,000	141,000,000
Movement for the year	(9,000,000)	(2,000,000)
	130,000,000	139,000,000

NEDBANK - Investment

Opening balance	171,000,000	165,000,000
Movement for the year	-	6,000,000
	171,000,000	171,000,000

STANDARD BANK - Investment

Opening balance	163,000,000	155,000,000
Movement for the year	(56,000,000)	8,000,000
	107,000,000	163,000,000

	636,000,000	766,000,000
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Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
Nedbank - Primary bank account	4,041,786	6,828,779	7,653,639	4,041,786	6,828,779	7,653,639
Nedbank - Call account	3,500,000	17,500,000	12,500,000	-	-	-
Total	7,541,786	24,328,779	20,153,639	4,041,786	6,828,779	7,653,639

4. Other receivables from exchange transactions

Current

Accrued interest	23,511,314	17,321,583
Allowance for impairment	(139,187)	(129,997)
Councillors	19,921	22,484
Deposits	4,740	4,740
Insurance claims	29,807	40,071
Municipal health debtor	95,266	74,760
Other receivables	2,082,092	174,595
Post retirement medical aid	248,445	225,995
Prepayments	2,490,217	2,278,610
Rental	26,741	4,341
Roads services (Department of Infrastructure)	29,030,739	26,796,873
	57,400,095	46,814,055

Non-current

Accrued interest (non-current investments)	6,349,282	-
Allowance for impairment	-	-
	6,349,282	-
Other receivables from exchange transactions (non-current)	6,349,282	-
Other receivables from exchange transactions (current)	57,400,095	46,814,055
Total other receivables from exchange transactions	63,749,377	46,814,055

Other receivables pledged as security

No other receivables were pledged as security.

Credit quality of other receivables

The credit quality of other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty defaults. The municipality's historical experience in collection of other trade receivables falls within recorded allowances. Due to these factors, management's view is that no additional risk beyond amounts provided for collection losses is inherent in the municipality's other trade receivables.

Other receivables from exchange transactions (Current)

Gross balance

Other receivables from exchange transactions	57,539,282	46,944,052
	57,539,282	46,944,052

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
4. Other receivables from exchange transactions (continued)		
Less: Allowance for impairment		
Other receivables	(116,804)	(110,343)
Post retirement medical aid	(22,383)	(19,654)
	(139,187)	(129,997)
Net balance		
Other receivables from exchange transactions	57,400,095	46,814,055
	57,400,095	46,814,055
Other receivables from exchange transactions		
Current (0-30 days)	31,359,569	27,167,230
31 - 60 days	3,499	2,437
61 - 90 days	164	3,482
91 - 120 days	-	-
121 - 365 days	-	-
> 365 days	15,412	18,227
	31,378,644	27,191,376

None of the financial assets that are fully performing have been renegotiated in the last year.

Prepayments of R2 490 217 (2022: R2 278 610) were not included as the future economic benefits relate to the receipt of goods and services. Councillor debt of R19 921 (2022: R22 484) was not included as this relate(s) to recoveries still to be concluded at reporting date. The short-term interest accrual of R23 511 314 (2022: R17 321 583) was not included in the ageing as it is not due yet.

Included in other receivables is an amount of R1 839 670 related to the land purchased for the development of the landfill site. The purchase of the land has not yet been completed at 30 June 2023, however, the funds have been transferred to the Attorneys Trust Account. The purchase is expected to be completed during the first quarter of the financial year ending 30 June 2024.

Other receivables past due but not impaired

Management regards other receivables from exchange transactions for outstanding amounts of more than 30 days as past due. The impairment of other receivables from exchange transactions is based on the historic payment rate of the receivable.

As at 30 June 2023, other receivables of R38 996 (2022: R46 632) were past due but not impaired.

No other receivables were pledged as security.

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

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4. Other receivables from exchange transactions (continued)

Reconciliation of provision for impairment of other receivables from exchange transactions

Opening balance	(129,997)	(127,467)
Provision for impairment	(10,377)	(5,440)
Unused amounts reversed	1,187	2,910
	(139,187)	(129,997)

Ageing: Other receivables from exchange transactions (non-current)

Gross balance		
Accrued interest	6,349,282	-
	6,349,282	-
Less: Allowance for impairment		
Accrued interest	-	-
	-	-
Net balance		
Accrued interest	6,349,282	-
	6,349,282	-

The long-term interest accrual of R6 349 282 (2022: Rnil) was not included in the ageing as it is not due yet. No portion of the accrued interest is considered to be past due but not impaired.

Other receivables past due but not impaired

Management regards the accrued interest due from the long-term investments as not being past due. The accrued interest only becomes payable to the municipality upon maturity of the underlying investment.

No other receivables were pledged as security.

5. Trade Receivables from exchange transactions

Gross balances		
Fire fighting	313,964	196,611
	313,964	196,611
Less: Allowance for impairment		
Fire fighting	(289,641)	(196,611)
	(289,641)	(196,611)
Net balance		
Fire fighting	24,323	-
	24,323	-
Fire fighting		
Current (0 -30 days)	-	-
31 - 60 days	24,324	-
61 - 90 days	75,679	50,982
91 - 120 days	40,649	331
121 - 365 days	-	28,352
> 365 days	173,312	116,946
	313,964	196,611

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

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Figures in Rand	2023	2022
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5. Trade Receivables from exchange transactions (continued)

Reconciliation of allowance for impairment

Balance at beginning of the year	(196,611)	(85,926)
Contributions to allowance	(116,328)	(117,761)
Reversal of allowance	23,298	7,076
	(289,641)	(196,611)

Trade receivables pledged as security

No trade receivables were pledged as security.

The risk profile of each class of debtor was assessed to determine the allowance for impairment.

No collateral is held for any of the debtors disclosed above.

Credit quality of trade receivables

Due to historic trends that cannot be determined, the credit quality of each individual debtor that is neither due nor past nor impaired was assessed. As per the Credit Control and Debt Collection Policy, all debtors with accounts outstanding for more than 60 days are handed over to the debt collectors of the municipality. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, it is management's view that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

Trade receivables past due but not impaired

The debt originated as a result of firefighting services rendered in terms of the Fire Fighting Act. The impairment for receivables from exchange transactions was calculated based on the assessment of each individual debtor, as a historic payment trend cannot be determined for firefighting debtors.

As at 30 June 2023, trade receivables of R289 641 (2022: R196 611) were past due but not impaired.

Trade receivables impaired and provided for

As at 30 June 2023, consumer debtors of Rnil (2022: Rnil) were impaired.

As at 30 June 2023, consumer debtors of R289 641 (2022: R196 611) were provided for.

The ageing of these receivables are as follows:

Current (0 - 30 days)	-	-
31 - 60 days	-	-
61 - 90 days	75,679	50,982
91 - 120 days	40,649	331
120 days or more	173,313	145,298
	289,641	196,611

6. Inventories

Consumable stores	2,530,493	1,905,577
Housing stock	72,940	72,940
	2,603,433	1,978,517

No inventory has been pledged as security.

Consumables valued at R158 000 (2022: R49 320) were written off and recognised in the statement of financial performance.

Inventory valued at R5 386 853 (2022: R4 160 608) were expensed in the statement of financial performance.

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

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7. VAT receivable		
VAT	2,693,524	2,455,080
Statutory receivables		
Gross balances		
VAT receivables	2,693,524	2,455,080
Less: Allowance for impairment		
VAT receivables	-	-
Net balance		
VAT receivables	2,693,524	2,455,080

Transactions arising from statute

The municipality is registered with SARS for VAT on the invoice basis, in accordance with Section 15(1) of the VAT Act (Act No. 89 of 1991). The statutory receivable is measured at its transactional amount.

The VAT receivable recognised at year end is mainly due to the impact of the difference between the input and output VAT recognised during the financial year as well as the accruals raised at year end.

No interest or other charges are levied against the statutory receivable.

Management regards statutory receivables as being impaired on the same basis that other receivables from exchange transactions are assessed for impairment (historic payment rate of the receivable).

Historically, all refunds have been received within 30 days of the submission of the VAT 201 returns to SARS.

Reconciliation of the provision for impairment

The statutory receivable is not considered to be impaired by the municipality as SARS has not defaulted on refund payments in the past.

Receivables past due not impaired

Statutory receivables which are less than 30 days past due are not considered for impairment. At 30 June 2023, Rnil (2022:Rnil) were past due but not impaired.

Statutory receivables pledged as security

No statutory receivables were pledged as security.

No collateral is held for any of the statutory receivables.

8. Receivables from non-exchange transactions

Government grants and subsidies	84,892	122,441
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Receivables from non-exchange transactions pledged as security

No receivables from non- exchange transactions were pledged as security.

The risk profile of each class of debtor was assessed to determine the allowance for impairment.

No collateral is held for any of the debtors disclosed above.

Cape Winelands District Municipality

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8. Receivables from non-exchange transactions (continued)

Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Receivables from non-exchange transactions impaired

As at 30 June 2023, receivables from non-exchange transactions of Rnil (2022: Rnil) were impaired and provided for.

Net balances

Government grant and subsidies	84,892	122,441
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Government grant and subsidies

Current (0 - 30 days)	84,892	122,441
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Reconciliation of allowance for impairment of receivables from non-exchange transactions

Opening balance	-	-
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9. Property, plant and equipment (PPE)

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	66,454,904	-	66,454,904	66,454,904	-	66,454,904
Buildings	51,424,174	(28,174,356)	23,249,818	49,343,791	(27,055,598)	22,288,193
Plant and machinery	22,998,105	(14,068,986)	8,929,119	22,527,031	(13,116,356)	9,410,675
Furniture and fittings	8,594,637	(5,757,120)	2,837,517	8,601,910	(5,573,629)	3,028,281
Motor vehicles	61,086,479	(28,739,413)	32,347,066	52,054,371	(27,465,105)	24,589,266
Office equipment	29,352,271	(14,070,470)	15,281,801	29,022,105	(14,259,686)	14,762,419
Infrastructure	6,037,889	(1,232,904)	4,804,985	4,472,303	(1,107,189)	3,365,114
Other property, plant and equipment	9,558,545	(5,116,741)	4,441,804	9,113,349	(4,544,636)	4,568,713
Total	255,507,004	(97,159,990)	158,347,014	241,589,764	(93,122,199)	148,467,565

Criteria for determination for classification between Property, plant and equipment and Investment property

The criteria created to identify whether an asset meets the definition of PPE or Investment property have been determined as follows:

a) In the instance where the property yields rentals, where a significant portion of the property is held for administrative purposes and an insignificant portion is held for rentals, the total property will be evaluated as PPE and not as investment property. This will apply even if the intention is to rent the property out for a prolonged period.

b) Where a significant portion (more than 50%) of the total property, including land and all other buildings is held for rentals, the property will be classified as investment property. This will apply even if management intends to rent the property out for a prolonged period.

A property consisting of a parking area, is rented to the public, and a significant portion of the property (land and buildings) is held by the municipality for administrative purposes.

Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

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9. Property, plant and equipment (PPE) (continued)

The consideration of a new lease is based on the need of the municipality prior to expiry of the existing lease agreements. The property meets the criteria set out above and has therefore been classified as PPE.

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

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	66,454,904	-	-	-	-	66,454,904
Buildings	22,288,193	2,116,910	(29,954)	-	(1,125,331)	23,249,818
Plant and machinery	9,410,675	1,029,898	(105,356)	(33,608)	(1,372,490)	8,929,119
Furniture and fittings	3,028,281	233,870	(37,613)	-	(387,021)	2,837,517
Motor vehicles	24,589,266	10,738,770	(64,500)	-	(2,916,470)	32,347,066
Office equipment	14,762,419	4,433,461	(1,390,309)	-	(2,523,770)	15,281,801
Infrastructure	3,365,114	1,565,585	-	-	(125,714)	4,804,985
Other property, plant and equipment	4,568,713	473,570	(28,087)	33,608	(606,001)	4,441,803
	148,467,565	20,592,064	(1,655,819)	-	(9,056,797)	158,347,013

Included in additions is work-in-progress that relates to Buildings (R242 650) and Infrastructure (R1 565 585).

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	66,384,904	70,000	-	-	66,454,904
Buildings	22,856,489	541,500	-	(1,109,796)	22,288,193
Plant and machinery	10,344,469	560,382	(55,090)	(1,439,086)	9,410,675
Furniture and fittings	3,169,179	256,482	(8,235)	(389,145)	3,028,281
Motor vehicles	28,148,961	-	-	(3,559,695)	24,589,266
Office equipment	16,380,381	960,588	(115,232)	(2,463,318)	14,762,419
Infrastructure	3,340,543	149,000	-	(124,429)	3,365,114
Other property, plant and equipment	4,583,445	557,292	-	(572,024)	4,568,713
	155,208,371	3,095,244	(178,557)	(9,657,493)	148,467,565

Included in additions is work-in-progress that relates to Office equipment (R132 772).

Reconciliation of repairs and maintenance - 2023

	Contracted services	Employee related cost	Materials and supplies	Total
Buildings	2,869,288	1,757,901	36,781	4,663,970
Office equipment	1,288,916	-	14,158	1,303,074
Motor vehicles	2,869,446	-	47,547	2,916,993
Other	186,084	-	-	186,084
	7,213,734	1,757,901	98,486	9,070,121

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9. Property, plant and equipment (PPE) (continued)

Reconciliation of repairs and maintenance - 2022

	Contracted services	Employee related cost	Materials and supplies	Total
Buildings	2,122,062	1,635,474	30,466	3,788,002
Office equipment	703,012	-	46,690	749,702
Plant and equipment	115,124	-	5,526	120,650
Motor vehicles	863,992	-	451,928	1,315,920
Other	-	-	2,090	2,090
Furniture and fittings	38,113	-	-	38,113
	3,842,303	1,635,474	536,700	6,014,477

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

No assets have been pledged as security.

Other property, plant and equipment were split into the various classes as disclosed in the note for both the current and prior year.

An impairment assessment was performed based on the indicators as listed in the accounting policy under paragraph 1.4 PPE. No potential impairment losses have been recognised on PPE at the reporting date.

A review of useful lives of PPE was done. Management considers whether there is any indication that expectations about the useful life of an asset have changed since the previous reporting date. There were changes in the remaining useful lives of intangible assets during the financial year. Refer to note 42 for details relating to the change in accounting estimates.

10. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2,011,361	(1,519,426)	491,935	1,902,361	(1,335,746)	566,615

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	566,615	144,000	(8,351)	(210,329)	491,935

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	658,926	38,157	(130,468)	566,615

Cape Winelands District Municipality

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11. Investments		
ABSA		
Opening balance	-	-
Movements during the year	108,000,000	-
Short term: Transfer to cash and cash equivalents	-	-
	108,000,000	-
STANDARD BANK		
Opening balance	-	-
Movements during the year	55,000,000	-
Short term: Transfer to cash and cash equivalents	-	-
	55,000,000	-
INVESTEC		
Opening balance	-	-
Movements during the year	15,000,000	-
Short term: Transfer to cash and cash equivalents	-	-
	15,000,000	-
	178,000,000	-

The long-term investments have a maturity period of five years and are measured at amortised cost.

The short-term portion of the long-term investments relates to the portion of the investments that will mature within the next twelve months. These are transferred to cash and cash equivalents, when applicable.

12. Unspent conditional grants and receipts

Community development workers (CDW) operational support grant	14,116	204,046
Emergency municipal load- shedding relief grant	950,000	-
Expanded public works programme integrated grant for municipalities	-	100,000
Fire service capacity building grant	-	1,046,000
Integrated transport planning grant	85,605	672,322
Local government financial management grant	-	154,932
Local government internship grant	8,200	46,000
Local government public employment support grant	-	200,000
Public contributions and donations	-	251,005
Rural roads asset management system grant (RRAMS)	75	2,748,000
Safety initiative implementation - whole of society approach (WOSA)	755,824	353,921
Western Cape municipal interventions grant	98,482	-
	1,912,302	5,776,226

See note 22 & 23 for reconciliation of grants from national/ provincial government. These amounts are invested in a ring-fenced investment until utilised (refer to note 3).

13. Payables from exchange transactions and Other

Creditors accruals	13,440,538	2,770,072
Other payables	594,664	213,412
Payments received in advanced	68,999	67,357
Retentions	109,627	-
Trade payables	370,111	2,776,632
Unclaimed funds	872	553
	14,584,815	5,828,026

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Figures in Rand	2023	2022
14. Employee benefits		
Current employee benefits		
Employee benefit accruals	2,158,334	2,576,834
Current: medical aid liability	8,916,862	8,964,681
Provision staff leave	18,033,797	17,376,311
13th cheque	5,399,598	5,259,102
Current: ex-gratia benefit	142,309	204,000
Current: long service award	2,652,908	1,788,000
Performance bonus	944,138	898,137
	38,247,946	37,067,065
Other long-term employee benefits		
Long-service award	13,138,475	13,339,999
Post-employee benefits		
Post-retirement medical aid benefits	131,224,251	135,612,320
Ex-gratia benefit	263,404	884,001
	131,487,655	136,496,321
Current liability	38,247,946	37,067,065
Non-current liability	144,626,130	149,836,320
	182,874,076	186,903,385

Post-retirement and medical aid benefits

The municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death in service or death-in-retirement, the surviving dependants may continue membership of the medical scheme.

In-service members will receive a post-employment subsidy of 60% or 70% of the contribution payable should they be a member of a medical aid at retirement.

All continuation members and their eligible dependants receive a 60% or 70% subsidy.

Upon a member's death-in-service or death-in-retirement the surviving dependants will continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Key Health
- Samwumed
- Sizwe Hosmed
- LA Health

Details relating to eligible employees of the post-retirement medical aid benefit obligation are listed below:

Active members		
Principal members	260	271
Average age	48.7	49.4
Average past service cost	R19.18 million	R19.4 million

Cape Winelands District Municipality

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Figures in Rand	2023	2022
14. Employee benefits (continued)		
Continuation members		
Principal members	145	149
Average age	72.2	71.9
The amounts recognised in the Statement of Financial Position are:-		
Projected benefit obligation	140,141,113	144,577,000
	140,141,113	144,577,000
The obligation in respect of past services has been estimated as follows:-		
Active members	46,074,977	46,192,000
Continuation members	94,066,136	98,385,000
Net obligation	140,141,113	144,577,000
The amounts recognised in the Statement of Financial Performance are:-		
Current service cost	2,002,000	2,946,000
Interest cost	16,695,000	17,502,000
Recognised actuarial (gains)/losses	(14,762,992)	(7,501,911)
Amount charged to Statement of Financial Performance	3,934,008	12,946,089

The future service cost for the ensuing financial period is estimated to be R2 298 483, whereas the interest cost for the next year is estimated to be R16 901 018.

The best estimates for the employer benefit payments in the 2023/24 financial period is expected to be R8 916 862.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation liability	144,577,000	139,672,000
Payments to members	(8,369,895)	(8,041,089)
Charge to Statement of Financial Performance	3,934,008	12,946,089
Closing benefit liability	140,141,113	144,577,000

The economic assumptions used are set relative to government long-term fixed coupon gilts and long-term index linked gilts on issue on 30 June 2023.

The government bond yield curves are relatively flat from outstanding maturity terms of 15 years. Therefore the economic assumption is based on bonds with the closest outstanding maturity terms to 15 years. On 30 June 2023, the bonds with the closest outstanding terms to 15 years were:

- Fixed coupon gilt - R2037 with an outstanding term of 13.6 years and yield to maturity of 12.06%.
- Index linked gilt - I2038 with an outstanding term of 14.6 years and yield to maturity of 5.00%.

The Nominal Discount Rate has been set as the return from the R2037 long-term fixed coupon gilt of 12.06% on 30 June 2023.

At the previous valuation, the nominal discount rate was set as yield curve.

Key actuarial assumptions

Discount rate	12.06%	Yield Curve
Health-care inflation	7.75%	CPI + 1.5%

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14. Employee benefits (continued)

Sensitivity Analysis on current-service and interest cost:

Assumption	Change	Current service cost	Interest cost	Total	% change
Central assumptions		2,298,483	16,901,018	19,199,501	
Health-care inflation	1 %	2,761,526	18,926,028	21,687,554	13 %
	-1 %	1,928,716	15,197,298	17,126,014	-11 %
Post-retirement mortality	20%	2,245,076	16,805,300	19,050,376	-1 %
	-20%	2,355,859	17,002,870	19,358,729	1 %

Sensitivity analysis on the benefit liability:

Assumption	Change	Liability	% change
Central assumptions		140,141,113	
Health-care inflation	1 %	156,932,238	12%
	-1 %	126,014,083	-10%
Post-retirement mortality	20%	139,347,432	-1 %
	-20%	140,985,658	1 %

History of Liabilities and Experience Adjustments	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Accrued liability	140,285,000	131,534,500	139,672,000	144,577,000	140,141,113
Experience adjustment	(2,278,000)	-	-	9,179,411	2,765,874

In terms of the Memorandum of Agreement between the WCG, Department of Transport and Public Works (Department of Infrastructure), and the past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the municipality. The future claim for roads staff for post-employment medical aid has therefore been raised as an employee benefit asset.

Employee benefit asset

Opening balance	7,934,649	10,555,196
Current service cost	663,000	870,000
Payment received from WCG	(3,169,288)	(3,589,525)
Interest cost	5,077,000	5,169,000
Benefits paid	(2,570,711)	(2,449,475)
Interest on payments from WCG	(2,893,193)	(1,674,022)
Actuarial loss / (gain)	(4,465,672)	(946,525)
	575,785	7,934,649

Reconciliation of employee benefit asset

Current asset	575,785	2,721,827
Non-current asset	-	5,212,822
	575,785	7,934,649

The assumptions used by the actuaries to calculate the portion of the roads staff are the same as were used to calculate the amount recognised as post-employment medical aid.

The amounts recognised as the current portion are equal to the amount as recognised in the valuation report for the respective financial years.

Ex-gratia benefits

The ex-gratia pensions are pensions that are paid by the municipality from its revenue and are not funded or paid from one of the municipality's formalised pension arrangements.

All employees who did not participate in the municipality's formal pension funds are entitled to a revenue pension, which is sometimes referred to as "ex-gratia" pensions.

Cape Winelands District Municipality

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14. Employee benefits (continued)		
Details of employees eligible for ex-gratia benefits are detailed below:		
Members		
In-service employees for ex-gratia pension	2	5
In-service employees eligible for lump sum benefit on retirement	4	4
Average age in years		
In-service employees for ex-gratia pension	59.52	59.73
In-service employees eligible for lump sum benefit on retirement	56.52	60.04
The amount recognised in the Statement of Financial Position is:-		
Projected benefit obligation	405,712	1,088,000
The amount recognised in the Statement of Financial Performance is:-		
Interest cost	84,000	74,000
Recognised actuarial (Gain) / Loss	33,156	39,524
	117,156	113,524

The future service cost for the ensuing financial year is estimated to be Rnil, whereas the interest cost for the next financial year is estimated to be R45 115.

The best estimates for the employer benefit payments in the 2023/24 financial year are expected to be R142 309.

The economic assumptions used are set relative to government long-term fixed coupon gilts and long-term index-linked gilts on issue on 30 June 2023.

The government bond yield curves are relatively flat from outstanding maturity terms of 15 years. Therefore the economic assumption based on bonds with the closest outstanding maturity terms to 8 years. On 30 June 2023, the bonds with the closest outstanding terms to 10 years were:

- Fixed coupon gilt - R2032 with an outstanding term of 8.8 years and yield to maturity of 11.120%.
- Index linked gilt - I2033 with an outstanding term of 9.7 years and yield to maturity of 4.905%.

The Nominal Discount Rate has been set as the return from the R2032 long-term fixed coupon gilt of 11.120% as of 30 June 2023. At the previous valuation the nominal discount rate was set as yield curve.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation	1,088,000	976,001
Payments to members	(799,444)	(1,524)
Actuarial (Gain) / Loss	33,156	39,524
Interest and service cost	84,000	74,000
Closing benefit obligation	405,712	1,088,001

Key actuarial assumptions

Discount rate	11.12 %	7.71 %
CPI inflation rate	6.22 %	6.37 %
Salary inflation rate	7.72 %	7.37 %

Sensitivity analysis on the benefit obligation:

Assumption	Change	Total Liability	% change
Central Assumptions		405,712	
Benefit Inflation rates	1 %	446,665	10 %
	-1 %	369,676	-9 %

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14. Employee benefits (continued)

Sensitivity analysis on the interest cost:

Assumption	Change	Interest cost	% change
Central Assumptions		45,115	
Benefit Inflation rates	1 %	49,669	10%
	-1 %	41,108	-9%

History of Liabilities, Assets and Experience Adjustments	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Accrued liability	1,559,725	1,429,000	976,000	1,088,000	405,712
Experience adjustment	(152,346)	-	-	-	188,459

Long-service awards

The municipality offers employees a long-service award for every five years of service completed from ten years of service to forty-five years of service.

Details of employees eligible for long-service awards are detailed below:

Members	389	397
Average age in years	47	47

The amounts recognised in the Statement of Financial Position are:

Projected benefit obligation	15,791,385	15,128,000
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The amounts recognised in the Statement of Financial Performance are:

Current service cost	948,000	881,000
Interest cost	1,752,000	1,489,000
Recognised actuarial (gain) / losses	(307,211)	145,400

Amount charged to Statement of Financial Performance

2,392,789	2,515,400
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The future service cost for the ensuing financial year is estimated to be R940 810, whereas the interest cost for the next financial year is estimated to be R1 744 471.

The best estimates for the employer benefit payments in the 2023/24 financial period are expected to be R2 652 908.

The economic assumptions used are set relative to government long-term fixed coupon gilts and long-term index linked gilts on issue on 30 June 2023.

The government bond yield curves are relatively flat from outstanding maturity terms of 15 years. Therefore the economic assumption based on bonds with the closest outstanding maturity terms to 15 years. On 30 June 2023, the bonds with the closest outstanding terms to 15 years were:

- Fixed coupon gilt - R2037 with an outstanding term of 13.6 years and yield to maturity of 12.06%.
- Index linked gilt - I2038 with an outstanding term of 14.6 years and yield to maturity of 5.00%.

The nominal discount rate has been set as the return from the R2037 long-term fixed coupon gilt of 12.06% on 30 June 2023. At the previous valuation, the nominal discount rate was set as yield curve.

Movements in the present value of the benefit obligation were as follows:

Opening benefit obligation	15,128,000	14,313,000
Payment to members (benefits vesting)	(1,729,404)	(1,700,400)
Actuarial (Gain) / Loss	(307,211)	145,400
Interest and service cost charged to Statement of Financial Performance	2,700,000	2,370,000
Closing benefit obligation	15,791,385	15,128,000

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14. Employee benefits (continued)

Key actuarial assumptions

Discount rate	12.06%	Yield Curve
Salary inflation	7.75%	CPI +1%
Average retirement age	62	62

Assumptions	Change	Liability	% change
Central Assumptions		15,791,385	
General salary inflation	1%	16,763,252	6%
	-1%	14,905,689	-6%
Withdrawal rates	20%	15,267,766	-3%
	-20%	16,356,369	4%

Assumptions	Change	Current service cost	Interest cost	Total	% change
Central assumptions		940,810	1,744,471	2,685,281	
General salary inflation	1 %	1,013,222	1,861,678	2,874,900	7 %
	-1 %	876,096	1,637,656	2,513,752	-6 %
Withdrawal rates	20 %	893,203	1,681,322	2,574,525	-4 %
	-20 %	993,532	1,812,608	2,806,140	5 %

History of Liabilities and Experience Adjustments	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Accrued liability	12,707,467	13,877,000	14,313,000	15,128,000	15,791,385
Experience adjustment	927,882	-	-	181,400	99,421

Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

These schemes are multi employer plans and are subject to a tri-annual, bi-annual or annual actuarial valuation as set out below.

a) LA Retirement Fund (Previously: Cape Joint Pension Fund)

The LA Retirement Fund operates both as a defined benefit and defined contribution scheme.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

Defined Benefit Scheme

The contribution rate payable under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2022 disclosed an actuarial valuation amounting to R1 391 841 000 (30 June 2021: R1 486 110 000), with a net accumulated surplus of R144 158 000 (2021: R69 420 000), with a funding level of 111.6% (30 June 2021: 104.9%).

Defined Contribution Scheme

The actuarial valuation report at 30 June 2022 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R1 976 184 000 (30 June 2021: R2 082 488 000), net investment reserve of Rnil (30 June 2021: Rnil) and with a funding level of 100% (2021: 100%).

Cape Winelands District Municipality

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14. Employee benefits (continued)

The actuary concluded that:

- The Defined Benefit Section is in a sound financial condition with a funding level of 111.6% as at 30 June 2022.
- The Defined Contribution Section of the fund was in a sound financial condition with a funding level of 100% as at 30 June 2022.
- Overall the fund is in a sound financial condition with an overall funding level of 104.5%.
- The Trustees awarded a 5.2% pension increase effective 1 January 2023.
- The Trustees awarded 100% of monthly pension bonus to pensioners payable in December 2022.

b) Consolidated Retirement Fund for Local Government (Previously: Cape Joint Retirement Fund)

The contribution rate for members is 7.5% of basic salary, whilst the respective Local Authorities are contributing 19.5%.

The fund provides defined contribution benefits to its active members and deferred members. The benefit payable on exit of a member is the Member's Share. This is broadly equal to the contributions (after costs) with the addition of investment returns.

The last statutory valuation performed as at 30 June 2022 revealed that the net assets of the fund amounted to R36 502 914 000 (30 June 2021: R34 148 081 000), with funding levels of 131.6% and 100.4% (30 June 2021: 133% and 100.5%) for the Pensions Account and the Share Account respectively. The contribution rate paid by the members (7,50%/9%) and the municipalities (7,50%/19,5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

c) The Municipal Workers Retirement Fund (Previously: SAMWU National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2020 revealed that the assets of the fund amounted to R9 021 008 000 (30 June 2017: R7 720 948 000), with funding levels of 102.2% (30 June 2017: 110.3%). The Fund's assets were sufficient to cover the members' Fund Credits and to provide a margin for contingency reserves as at 30 June 2020. We have allocated the full margin towards the required balance for the risk benefits reserve, which leaves no assets available for the data reserve and a (very small) negative balance for the investment reserve – this is discussed further below, but it should be noted that strong investment returns for the 18 months following the valuation date have enabled the negative investment reserve to be eliminated (as at 31 December 2021). The Fund was in a sound financial position at the valuation date.

d) The Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1 798 030 000 (30 June 2015 : R2 551 861 000), with funding levels of 103.26% (30 June 2015: 101.08%). The contribution rate paid by the members (13.75%) and council (15%) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short moratorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows:

1. The provisional Curatorship order of 19 December 2017 is made final;
2. The Curator shall furnish the Registrar of the Pension Fund with a progress report; and
3. The Curator must deliver a further progress report to the Court by no later than 31 October 2018 which report deals with the status of curatorship as at 30 September 2018; on the curatorship once every two months.

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15. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2023

	Capital replacement reserve	Government grant reserve	Accumulated surplus	Total
Opening balance	79,307,027	2,887,399	717,922,363	800,116,789
Surplus for the year	-	-	50,567,090	50,567,090
Transfer to capital replacement reserve	7,000,000	-	(7,000,000)	-
Property, plant and equipment purchases	(19,775,208)	(816,856)	20,592,064	-
Intangible assets	(144,000)	-	144,000	-
	66,387,819	2,070,543	782,225,520	850,683,882

Ring-fenced internal funds and reserves within accumulated surplus - 2022

	Capital replacement reserve	Government grant reserve	Accumulated surplus	Total
Opening balance	65,457,033	2,941,714	697,003,729	765,402,476
Surplus for the year	-	-	34,714,313	34,714,313
Transfer to capital replacement reserve	16,000,000	-	(16,000,000)	-
Property, plant and equipment purchases	(2,111,848)	(54,315)	2,166,163	-
Intangible assets	(38,158)	-	38,158	-
	79,307,027	2,887,399	717,922,363	800,116,789

16. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	43,276	57,000	(43,276)	57,000

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	6,440	43,276	(6,440)	43,276

The provision relates to insurance claims, which were not finalised at year end, but were finalised before the financial statements were authorised for issue.

17. Service charges

Fire service charges	138,396	182,762
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18. Rental of facilities and equipment

Premises	91,087	229,048
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An amount of R71 739 included in the rental income relates to a lease agreement between CWDM and the lessee which ends on 30 June 2025. The annual rental escalation is calculated based on the average CPI over the previous twelve-month period.

Cape Winelands District Municipality

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19. Roads services

Department of Transport and Public Works (Department of Infrastructure) 117,033,414 105,635,889

The municipality has a Memorandum of Agreement with the WCG, Department of Transport and Public Works (Department of Infrastructure) for rendering services regarding the roads function within the jurisdiction of the CWDM.

The final allocation received from the Department of Transport and Public Works (Department of Infrastructure) was revised to R111 000 000 (Initial allocation: R105 200 000) during the current financial year.

20. Other income

Brokerage	70,264	63,223
Electricity income (Eerste Begin)	609	21,157
Insurance income	82,538	54,612
LG SETA refund	381,014	384,462
Miscellaneous income	18,348	47,055
Municipal health income	693,504	739,566
Tender document income	9,786	1,052
	1,256,063	1,311,127

21. Interest received - investment

Interest on investments: Long term	6,349,282	-
Interest on investments: Short term	56,649,476	40,295,365
	62,998,758	40,295,365

During the current year, the average interest rate on the short-term investments is 7.45% (2022: 5.15%) whereas the average interest rate on the long-term investments is 12.09% (2022:-%).

The municipality deposits its investments with multiple banks with varying interest rates linked to the prime rate.

22. Government grants and subsidies

Operating grants

Community development workers (CDW) operational support grant	136,885	41,081
Equitable share	2,891,000	2,662,000
Expanded public works programme integrated grant for municipalities	1,469,000	1,313,000
Integrated transport planning	586,717	1,050,134
Joint district and metro approach	1,000,000	2,000,000
Local government financial management grant	1,000,000	845,068
Local government internship grant	37,800	55,545
Rural roads asset management systems grant (RRAMS)	71,925	-
RSC levy replacement grant	248,404,000	242,546,000
Sandhills - toilet hire	509,352	498,134
Safety initiative implementation - whole of society approach (WOSA)	1,098,097	2,263,681
Western Cape municipal interventions grant	1,518	-
	257,206,294	253,274,643

Conditional and Unconditional

Included in the above are the following grants and subsidies received:

Equitable share	2,891,000	2,662,000
RSC levy replacement grant	248,404,000	242,546,000
	251,295,000	245,208,000

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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22. Government grants and subsidies (continued)

Equitable Share

The Equitable Share is the conditional share of the revenue raised nationally and is allocated in terms of section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

Community development workers (CDW) operational support grant

Balance unspent at beginning of year	204,046	169,127
Current-year receipts	75,000	76,000
Conditions met - transferred to revenue	(136,885)	(41,081)
Refund of unspent portion	(128,045)	-
	14,116	204,046

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.

Integrated transport planning

Balance unspent at beginning of year	672,322	822,456
Current-year receipts	-	900,000
Conditions met - transferred to revenue	(586,717)	(1,050,134)
	85,605	672,322

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Technical Services.

The funds were utilised to review and update Municipal Integrated Transport Plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

Local government financial management grant

Balance unspent at beginning of year	154,932	-
Current-year receipts	1,000,000	1,000,000
Conditions met - transferred to revenue	(1,000,000)	(845,068)
Refund of unspent portion	(154,932)	-
	-	154,932

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Financial and Strategic Support Services.

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

This grant was mainly utilised to improve on the municipality's audit outcome, the upgrade and maintenance of financial management systems and to implement National Treasury's internship programme.

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Figures in Rand	2023	2022
22. Government grants and subsidies (continued)		
Fire service capacity building grant		
Balance unspent at beginning of year	1,046,000	1,046,000
Refund of unspent portion	(1,046,000)	-
	-	1,046,000

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

Sandhills - toilet hire

Current-year receipts	509,352	498,134
Conditions met - transferred to revenue	(509,352)	(498,134)
	-	-

Strategic Objective: Technical Services.

The allocation is made to the municipality by the Department of Transport and Public Works (Department of Infrastructure) as a refund for temporary toilets hired in Sandhills.

Local government public employment support grant

Balance unspent at beginning of year	200,000	-
Current-year receipts	-	200,000
Refund of unspent portion	(200,000)	-
	-	200,000

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: The Office of the Municipal Manager

To coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress, through conditional transfers to local and district municipalities and the metro in the Western Cape.

Joint district and metro approach grant

Current-year receipts	1,000,000	2,000,000
Conditions met - transferred to revenue	(1,000,000)	(2,000,000)
	-	-

Strategic Objective: The Office of the Municipal Manager

To provide financial assistance to district municipalities to implement catalytic projects to improve infrastructure, systems, structures and service delivery.

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Figures in Rand	2023	2022
22. Government grants and subsidies (continued)		
Rural roads asset management systems grant (RRAMS)		
Balance unspent at beginning of year	2,748,000	2,711,000
Current-year receipts	72,000	2,748,000
Conditions met - transferred to revenue	(71,925)	-
Refund of unspent portion	(2,748,000)	(2,711,000)
	75	2,748,000

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Technical Services.

The purpose is to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

Local government internship grant

Balance unspent at beginning of year	46,000	31,545
Current-year receipts	-	70,000
Conditions met - transferred to revenue	(37,800)	(55,545)
	8,200	46,000

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Financial and Strategic Support Services.

The purpose of the grant is to provide financial assistance to municipalities in support of capacity building for the future by means of an internship programme.

Safety initiative implementation - whole of society approach (WOSA)

Balance unspent at beginning of year	353,921	294,601
Current-year receipts	1,500,000	2,323,000
Conditions met - transferred to revenue	(1,098,097)	(2,263,680)
	755,824	353,921

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Community Development and Planning Services.

To enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan.

Expanded public works programme integrated grant for municipalities

Balance unspent at beginning of year	100,000	-
Current-year receipts	1,369,000	1,413,000
Conditions met - transferred to revenue	(1,469,000)	(1,313,000)
	-	100,000

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Financial and Strategic Support Services, Community Development and Planning Services and Technical Services.

This grant incentivises the municipality to expand job creation efforts through the use of labour-intensive delivery methods in various identified focus areas, in compliance with the Expanded Public Works Programme Guidelines.

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Figures in Rand	2023	2022
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22. Government grants and subsidies (continued)

The grant contributed towards increased levels of employment in areas where unemployment is relatively high as well as providing work experience and gaining expertise through in house training.

Western Cape municipal interventions grant

Current-year receipts	100,000	-
Conditions met - transferred to revenue	(1,518)	-
	98,482	-

Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Community Development and Planning Services.

This grant provides financial assistance to municipalities to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.

Emergency Municipal Load- Shedding Relief Grant

Current-year receipts	950,000	-
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Conditions still to be met - remain liabilities (see note 12).

Strategic Objective: Community Development and Planning Services.

Provide a financial contribution to municipalities towards the purchase and installation of back-up energy supply (which may include generators, renewable power sources, batteries and all ancillary costs associated with the installation, i.e. switch gear, safe keeping, caging, etc.) for water and wastewater infrastructure as an immediate response to the prolonged load-shedding, thereby mitigating the impact on the provision of basic services and potential health risks.

23. Public contributions and donations

Public contributions and donations	251,005	938,667
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Reconciliation of conditional contributions

Balance unspent at beginning of year	251,005	260,592
Current-year receipts	-	929,080
Conditions met - transferred to revenue	(251,005)	(938,667)
	-	251,005

Conditions still to be met - remain liabilities (see note 12)

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Figures in Rand	2023	2022			
23. Public contributions and donations (continued)					
2023	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Refund of unspent portion	Balance unspent at the end of the year
Road, Station Road, Ceres	251,005	-	(251,005)	-	-
2022	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Refund of unspent portion	Balance unspent at the end of the year
Road, Station Road, Ceres	260,592	-	(9,587)	-	251,005
Donation: Nieuwedrift	-	840,000	(840,000)	-	-
Donation: Laptops	-	89,080	(89,080)	-	-
	260,592	929,080	(938,667)	-	251,005

24. Employee-related costs

Acting allowances	87,448	51,921
Actuarial loss / (gain)	(10,571,375)	(6,370,462)
Basic	130,976,857	125,505,846
Bonus	10,285,874	9,784,549
Current service cost	2,287,000	2,957,000
Defined contribution plans	22,266,074	21,218,567
Group schemes	2,591,849	2,457,987
Housing benefits and allowances	4,798,782	4,630,094
Leave pay provision charge	1,804,137	908,552
Medical aid - company contributions	13,080,077	12,700,772
Other allowances	6,997,748	8,165,063
Overtime payments	7,809,621	8,032,490
Performance bonus	868,472	1,150,225
Telephone	986,216	689,855
Travel, motor car, accommodation, subsistence and other allowances	12,570,060	12,321,954
Unemployment insurance fund (UIF)	880,880	878,427
Workmen's compensation assistance (WCA)	1,100,457	1,069,362
	208,820,177	206,152,202

2023	Long-service awards	Ex-gratia	PRMA	Less: Funded asset	Total
Current service cost	948,000	-	2,002,000	(663,000)	2,287,000
Net actuarial (gains) / losses recognised	(307,211)	33,156	(14,762,992)	4,465,672	(10,571,375)
	640,789	33,156	(12,760,992)	3,802,672	(8,284,375)

2022	Long-service awards	Ex-gratia	PRMA	Less: Funded asset	Total
Current service cost	881,000	-	2,946,000	(870,000)	2,957,000
Net actuarial (gains) / losses recognised	145,400	39,524	(7,501,911)	946,525	(6,370,462)
	1,026,400	39,524	(4,555,911)	76,525	(3,413,462)

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24. Employee-related costs (continued)

Remuneration of senior management

2023	Basic salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager	1,405,443	360,000	241,367	89,408	311,260	2,407,478
Chief Financial Officer	1,210,275	240,000	230,246	289,717	24,000	1,994,238
ED: Community development and planning services	1,229,395	300,000	202,842	36,081	144,000	1,912,318
ED: Technical services	1,258,538	150,000	148,016	300,370	24,000	1,880,924
	5,103,651	1,050,000	822,471	715,576	503,260	8,194,958

2022	Basic Salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager	1,255,967	360,000	237,800	84,731	24,000	1,962,498
Chief Financial Officer	1,133,971	240,000	222,331	272,771	24,000	1,893,073
ED: Community development and planning services	1,095,369	300,000	199,844	34,216	24,000	1,653,429
ED: Technical services	1,204,923	150,000	222,331	272,974	24,000	1,874,228
	4,690,230	1,050,000	882,306	664,692	96,000	7,383,228

The following accrued to key management personnel in terms of GRAP 25 at year-end:

Staff leave

Municipal Manager	71,316	322,510
Chief Financial Officer	132,608	72,654
ED: Community development and planning services	71,920	45,862
ED: Technical Services	83,753	66,049
	359,597	507,075

25. Remuneration of Councillors

Executive Mayor	1,122,917	1,045,223
Deputy Executive Mayor	570,693	535,226
Speaker	908,177	843,164
Other Councillors	11,005,102	10,320,892
	13,606,889	12,744,505

Remuneration of Councillors

2023	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	399,345	103,449	180,000	440,123	1,122,917
Deputy Executive Mayor - M Sampson	419,202	31,491	120,000	-	570,693
Speaker - D Joubert	697,836	52,433	111,177	46,731	908,177
Other Councillors	8,657,176	454,733	1,171,690	721,503	11,005,102
	10,173,559	642,106	1,582,867	1,208,357	13,606,889

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25. Remuneration of Councillors (continued)

2022	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	361,976	106,796	169,337	407,114	1,045,223
Deputy Executive Mayor - D Swart	160,367	-	43,857	-	204,224
Deputy Executive Mayor - M Sampson	257,691	13,312	60,000	-	331,003
Speaker - C Meyer	230,961	27,732	36,168	27,083	321,944
Speaker - D Joubert	402,033	30,697	64,853	23,636	521,219
Other Councillors	7,887,635	351,714	1,459,220	622,323	10,320,892
	9,300,663	530,251	1,833,435	1,080,156	12,744,505

The salaries, allowances and benefits of Councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa, read with the Remuneration of Public Office Bearers Act and the MEC of local government in the province's determination in accordance with this Act.

26. Depreciation and amortisation

Property, plant and equipment	9,056,797	9,657,493
Intangible assets	210,329	130,468
	9,267,126	9,787,961

27. Debt impairment

Debt impairment	102,220	113,215
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28. Finance costs

Employee benefits	13,454,000	13,896,000
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29. Transfers and subsidies

Grants in aid

Community and Social Services	-	180,000
Farmer households	1,052,684	389,996
Sport and recreation	757,661	-
Private enterprises	435,344	500,000
	2,245,689	1,069,996

Monetary allocations

Fire services	300,000	250,000
Farmer households	927,100	1,681,865
Community and social services	529,988	350,000
Social relief	373,324	361,525
Tourism	2,552,828	2,250,000
Sport and recreation	1,286,246	1,325,000
Support to local municipalities	4,155,000	9,700,000
Private enterprises	30,000	-
	10,154,486	15,918,390
	12,400,175	16,988,386

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30. Contracted services		
Outsourced Services		
Alien Vegetation Control	1,268,438	1,656,474
Burial Services	97,620	-
Business and Advisory	25,673	470,438
Cleaning Services	268,111	649,181
Clearing and Grass Cutting Services	1,040,195	478,261
Hygiene Services	932,383	880,323
Professional Staff	1,364,185	1,205,517
Security Services	3,411,212	2,442,656
Translators, Scribes and Editors	129,863	224,993
Traffic Control	327,175	-
Consultants and Professional Services		
Business and advisory	3,310,236	3,293,965
Infrastructure and planning	1,755,767	213,386
Laboratory services	1,474,137	1,738,529
Legal costs	108,417	469,071
Contractors		
Artists and Performers	471,850	2,000
Audio-visual Services	13,000	1,850
Catering Services	2,635,973	1,398,266
Employee Wellness	91,560	194,071
Exhibit Installations	25,775	-
Fire Services	12,861,025	11,956,626
Gardening Services	58,364	175,723
Graphic Designers	90,000	26,580
Maintenance of Buildings, Facilities, Equipment and Unspecified Assets	8,551,288	5,417,475
Pest Control and Fumigation	127,986	64,139
Photographer	13,400	14,950
Plants, Flowers and Other Decorations	10,800	22,603
Stage and Sound Crew	104,943	101,138
Transportation	-	126,881
	40,569,376	33,225,096

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Figures in Rand	2023	2022
31. General expenses		
Achievements and awards	278,329	203,568
Advertising, publicity and marketing	3,468,307	2,618,880
Auditors remuneration	3,206,646	2,573,272
Bank charges, facility and card fees	149,075	240,270
Bargaining council	60,599	58,545
Bursaries (employees)	372,518	-
Chemicals	184,388	155,700
Cleaning materials	238,379	234,523
Communications	4,331,804	4,726,229
Consumables	490,104	733,442
Courier and delivery services	198,500	209
Deeds	1,091	1,119
Drivers licences and permits	18,049	17,730
Entertainment	44,744	38,541
External computer services	6,113,916	6,743,023
Full-time union representatives	127,303	25,772
Hire charges	4,757,894	6,796,528
Insurance underwriting	3,098,150	3,480,066
Licences	169,083	118,876
Materials and supplies	29,483,476	15,611,083
Municipal services	6,516,269	6,325,262
Parking fees	250	250
Printing and stationery	1,210,441	1,140,386
Printing, publication and books	276,078	499,566
Professional bodies, membership and subscription	2,212,873	2,205,600
Refreshments	510,186	277,870
Registration fees	73,747	75,348
Roadworthy tests	16,878	17,955
Skills development fund levy	1,929,291	1,839,274
Tollgate fees	273,508	239,746
Transport provided as part of departmental activities	1,514,150	943,803
Travel and Visas	6,193	-
Travel and subsistence	2,663,509	1,237,440
Uniforms and protective clothing	776,952	2,821,466
Vehicle tracking	192,831	215,903
Wet fuel	13,194,491	11,548,633
	88,160,002	73,765,878
32. Auditors' remuneration		
Fees	3,206,646	2,573,272

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33. Prior period errors

The prior year has been amended to account for prior period errors.

Below is a summary of the total effect that the prior period errors, changes in accounting policies and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

	Audited	Prior year error	Reclassi- fications	Restated
Assets				
Current Assets				
Cash and cash equivalents	790,328,779	-	-	790,328,779
Other receivables from exchange transactions	46,814,055	-	-	46,814,055
Receivables from non-exchange transactions	122,441	-	-	122,441
Inventories	1,978,517	-	-	1,978,517
VAT receivable	2,455,080	-	-	2,455,080
Employee benefit asset	2,721,827	-	-	2,721,827
	844,420,699	-	-	844,420,699
Non-Current Assets				
Property, plant and equipment	147,967,023	500,542	-	148,467,565
Intangible assets	566,615	-	-	566,615
Employee benefit asset	5,212,822	-	-	5,212,822
	153,746,460	500,542	-	154,247,002
Total Assets	998,167,159	500,542	-	998,667,701
Liabilities				
Current Liabilities				
Payables from exchange transactions	4,912,888	915,138	-	5,828,026
Unspent conditional grants and receipts	5,776,226	-	-	5,776,226
Provisions	43,276	-	-	43,276
Employee benefit obligation	37,067,065	-	-	37,067,065
	47,799,455	915,138	-	48,714,593
Non-Current Liabilities				
Employee benefit obligation	149,836,320	-	-	149,836,320
Total Liabilities	197,635,775	915,138	-	198,550,913
Net Assets				
Accumulated surplus	800,531,384	(414,596)	-	800,116,788

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33. Prior period errors (continued)

33.1 Property, plant and equipment

Balance previously reported	147,967,023
* Landfill	551,556
** Carpets - Cost	(181,456)
** Carpets - Accumulated depreciation	117,348
** Carpets - Depreciation	11,003
*** Ethernet devices - Depreciation	2,091
	148,467,565

* The costs incurred to develop and construct the regional landfill site after receiving the approval for the licence to operate the regional landfill site on 26 November 2019 were incorrectly expensed as contracted services and should have been recognised as capital expense. The costs incurred for the feasibility study of the regional landfill site, meet the definition of a capital expense. The error impacted the opening balance of cost of R551 556 and the opening balance of accumulated surplus for the 2021/2022 financial year of R551 556.

** The costs incurred for the installation of carpets were incorrectly accounted for as capital expenditure. The installation of carpets meets the definition of operational expenditure. The error impacted the opening balance of cost of R181 456, the opening balance of accumulated depreciation of R117 348 and the opening balance of accumulated surplus for the 2021/2022 financial year of R53 106. The error also impacted the depreciation of R11 003 and accumulated depreciation of R11 003 for the 2021/2022 financial year.

*** The depreciation on the ethernet devices was incorrectly accounted for as the ethernet devices were not installed in the 2021/2022 financial year. The error impacted the depreciation of R2 091 and accumulated depreciation of R2 091 for the 2021/2022 financial year.

33.2 Payables from exchange transactions

Balance previously reported	4,912,888
* External computer services	915,138
	5,828,026

* The invoice related to the Microsoft licence for the 2021/2022 financial year was received in the 2022/2023 financial year.

33.3 Accumulated surplus

Balance previously reported	800,531,384
* External computer services	(915,137)
** Landfill	551,556
*** Carpets - Cost	(181,456)
*** Carpets - Accumulated Depreciation	117,348
*** Carpets - Depreciation	11,002
**** Ethernet devices - Depreciation	2,091
	800,116,788

* The invoice related to the Microsoft licence for the 2021/2022 financial year was received in the 2022/2023 financial year.

** The costs incurred to develop and construct the regional landfill site after receiving the approval for the licence to operate the regional landfill site on 26 November 2019 were incorrectly expensed as contracted services and should have been recognised as capital expense. The costs incurred for the feasibility study of the regional landfill site, meet the definition of a capital expense. The error impacted the opening balance of cost of R551 556 and the opening balance of accumulated surplus for the 2021/2022 financial year of R551 556.

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33. Prior period errors (continued)

*** The costs incurred for the installation of carpets were incorrectly accounted for as capital expenditure. The installation of carpets meets the definition of operational expenditure. The error impacted the opening balance of cost of R181 456, the opening balance of accumulated depreciation of R117 348 and the opening balance of accumulated surplus for 2021/2022 financial year of R53 106. The error also impacted the depreciation of R11 003 and accumulated depreciation of R11 003 for 2021/2022 financial year.

**** The depreciation on the ethernet devices was incorrectly accounted for as the ethernet devices were not installed in the 2021/2022 financial year. The error impacted the depreciation of R2 091 and accumulated depreciation of R2 091 for the 2021/2022 financial year.

Statement of Financial Performance

	Audited	Prior year error	Reclassification	Restated
Revenue				
Revenue from exchange transactions				
Service charges	182,762	-	-	182,762
Rental of facilities and equipment	229,048	-	-	229,048
Roads services	105,635,889	-	-	105,635,889
Other income	1,311,127	-	-	1,311,127
Interest received - investment	40,295,365	-	-	40,295,365
Total revenue from exchange transactions	147,654,191	-	-	147,654,191
Revenue from non-exchange transactions				
Transfer revenue				
Government grants and subsidies	253,274,643	-	-	253,274,643
Public contributions and donations	938,667	-	-	938,667
Total revenue from non-exchange transactions	254,213,310	-	-	254,213,310
Total revenue	401,867,501	-	-	401,867,501
Expenditure				
Employee-related costs	(206,152,202)	-	-	(206,152,202)
Remuneration of Councillors	(12,744,505)	-	-	(12,744,505)
Finance cost	(13,896,000)	-	-	(13,896,000)
Depreciation and amortisation	(9,801,055)	13,094	-	(9,787,961)
Lease rentals on operating lease	(298,157)	-	-	(298,157)
Debt impairment	(113,215)	-	-	(113,215)
Contracted services	(33,225,096)	-	-	(33,225,096)
Transfers and subsidies	(16,988,386)	-	-	(16,988,386)
General expenses	(72,850,740)	(915,138)	-	(73,765,878)
Total expenditure	(366,069,356)	(902,044)	-	(366,971,400)
Operating surplus	35,798,145	(902,044)	-	34,896,101
Loss on disposal of assets	(132,468)	-	-	(132,468)
Inventories losses/ write-downs	(49,320)	-	-	(49,320)
	(181,788)	-	-	(181,788)
Surplus for the year	35,616,357	(902,044)	-	34,714,313

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33. Prior period errors (continued)		
33.4 Depreciation and amortisation		
Balance previously reported		(9,801,055)
* Carpets		11,003
** Ethernet devices		2,091
		<u>(9,787,961)</u>

* The costs incurred for the installation of carpets were incorrectly accounted for as capital expenditure. The installation of carpets meets the definition of operational expenditure. The error impacted the opening balance of cost of R181 456, the opening balance of accumulated depreciation of R117 348 and the opening balance of accumulated surplus for the 2021/2022 financial year of R53 106. The error impacted the depreciation of R11 003 and accumulated depreciation of R11 003 for the 2021/2022 financial year.

** The depreciation on the ethernet devices was incorrectly accounted for as the ethernet devices were not installed in the 2021/2022 financial year. The error impacted the depreciation of R2 091 and accumulated depreciation of R2 091 for the 2021/2022 financial year.

33.5 General Expenses

Balance previously reported	(72,850,740)
* External computer services	(915,138)
	<u>(73,765,878)</u>

* The invoice related to the Microsoft licence for the 2021/2022 financial year was received in the 2022/2023 financial year.

34. Cash generated from operations

Surplus	50,567,090	34,714,313
Adjustments for:		
Depreciation and amortisation	9,267,126	9,787,961
Loss on sale of assets and liabilities	1,571,805	132,468
Finance costs	13,454,000	13,896,000
Public contributions and donations	-	(929,080)
Debt impairment	102,220	113,215
Movements in retirement benefit assets and liabilities	3,329,555	9,192,183
Inventory write-off	158,000	49,320
Changes in working capital:		
Other receivables from exchange transactions	(16,935,322)	(25,513,957)
Trade receivables from exchange transactions	(126,543)	(52,229)
Other receivables from non-exchange transactions	37,549	(38,572)
Movement in provisions	13,724	36,836
Payables from exchange transactions	672,736	1,416,545
VAT	(238,444)	(739,757)
Unspent conditional grants and receipts	(3,863,924)	440,905
Inventories	(782,916)	733,360
Employee benefit obligation	(20,812,864)	(16,516,547)
Long-term receivable	7,358,864	2,620,547
	<u>43,772,656</u>	<u>29,343,511</u>

Notes to the Annual Financial Statements

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35. Financial instruments

Financial risk management

The accounting policy for financial instruments was applied to the following Statement of Financial Position items:

Financial assets at amortised cost

Trade receivables from exchange transactions	24,323	-
Other receivables from exchange transactions	61,239,239	44,512,961
Receivables from non-exchange transactions	84,892	122,441
Cash and cash equivalents	643,541,787	790,328,779
Investments	178,000,000	-
	882,890,241	834,964,181

Financial liabilities at amortised cost

Payables from exchange transactions	14,584,815	5,828,026
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Refer to notes 3, 4, 5, 8, 11 and 13 for additional disclosures.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The municipality has limited exposure to liquidity risk and is able to meet its financial obligations as it falls due. The municipality limits exposure to liquidity risk by ensuring all liabilities are cash backed.

The following are contractual maturities of financial assets and liabilities.

At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	14,584,815	-	-	-

At 30 June 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	5,828,026	-	-	-

Credit risk

Credit risk consists mainly of cash and cash equivalents. The municipality invests cash with multiple banks, limiting exposure to any one counter-party.

The carrying amount of investments, receivables and cash and cash equivalents represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets at amortised cost	2023	2022
Other receivables from exchange transactions	61,239,239	44,512,961
Trade receivables from exchange transactions	24,323	-
Cash and cash equivalents	643,541,787	790,328,779
Receivables from non-exchange transactions	84,892	122,441
Investments	178,000,000	-

Fair values

Irrespective of the longer maturity for the investments held by the municipality, the fair value of these financial instruments are substantially identical to the values reflected in the Statement of Financial Position.

There were no changes in the municipality's approach to financial risk management from the prior year.

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35. Financial instruments (continued)

Interest rate risk

The municipality's exposure to interest rate risk and effective interest rate on financial instruments at balance sheet date are as follows:

a) Investments and Cash and cash equivalents

The average interest rate on the short term investments is 7.45% (2022: 5.15%) whereas the average interest rate on the long term investments is 12.09% (2022:nil%). The municipality invests with multiple banks with varying interest rates linked to the prime rate.

b) External loans

The municipality had no external loans and borrowings as at 30 June 2023 (2022: Rnil).

Market risk

It is the risk that changes in market prices, such as foreign currency exchange rates and interest rates that will affect the municipality's projected income. The municipality does not hold any assets that are impacted by changes in the market.

Foreign currency risk is deemed to be minimal as very few foreign currency transactions are conducted.

There were no changes in the municipality's approach to financial risk management from the prior year.

36. Going concern

We draw attention to the fact that as at 30 June 2023, the municipality had an accumulated surplus of R850 683 877 (2022: R800 116 788).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

With the abolishment of the Regional Services Council Levies on 30 June 2006, the CWDM is dependent on Government Grants, including the Equitable Share, for approximately 59% of the municipality's revenue. In addition, funds received for Roads services account for a further 27%.

37. Unauthorised expenditure

No unauthorised expenditure was incurred and/or identified for the current and previous financial years.

38. Fruitless and wasteful expenditure

Opening balance as previously reported	-	-
Add: Fruitless and wasteful expenditure identified - current	400	-
Add: Fruitless and wasteful expenditure identified - prior period	-	-
Less: Amount recovered - current	(400)	-
Less: Amount recovered - prior period	-	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
Closing balance	-	-

Details of fruitless and wasteful expenditure

Misuse, by a municipal official, of a fuel card intended for official vehicles of the municipality.	400	-
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The expenditure incurred has been recovered from the relevant official and the investigation and related consequence management processes have been completed.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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39. Irregular expenditure

No irregular expenditure was incurred and/or identified for the current and previous financial year.

40. Contingencies

40.1 Contingent liabilities

(i) 2023: The status of the delictual claim for damages in the amount of R451 000 against Cape Winelands District Municipality and the Minister of Transport and Public Works by a Mr P Afrika allegedly arising from an accident in July 2008. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions.

(2022: The status of the delictual claim for damages in the amount of R451 000 against Cape Winelands District Municipality and the Minister of Transport and Public Works by a Mr P Afrika allegedly arising from an accident in July 2008. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.)

(ii) 2023: The status of the claim, where the plaintiff included the Cape Winelands District Municipality is that the plaintiff added another plaintiff in their legal suit. The attorneys of the plaintiff proceeded to reach a settlement with a party in the lawsuit. The claim against the municipality was closed after the settlement was reached.

(2022: The status of the claim, where the plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter, is currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/Cape Winelands District Municipality/Stellenbosch Municipality state that the pre-trial proceeded and the matter was adjourned until 15 October 2018 to enable the parties to comply with the timetable set out in the agreed pre-trial minutes. The settlement per the summons issued amounts to R6 142 100. The settlement amount is to be paid by the insurance company on behalf of the municipality and it would be expected of the municipality to only pay the excess amount which has not been determined as yet. It is not yet practicable to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.)

(iii) 2023: The status of the claim where the district municipality was jointly added as a third party, remains the same as reported on in the previous year. Specifically that on 22 January 2018 a combined summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendant) for the damages suffered in the amount of R2 371 525,07 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018 a third party notice was served on the district municipality, in terms of which the Cape Winelands District Municipality was joint as a third party by the defendants (Thera Trust) who avers that the district municipality is a joint wrongdoer with Thera Trust (the defendant) in that the district municipality was negligent and that such negligence caused or contributed to the damages suffered by the plaintiff. The matter was reported to the district municipality's insurers and a fire incident report was accordingly provided, where after a notice of intention to defend was entered. The Cape Winelands District Municipality is currently awaiting the matter to be set down for pre-trial hearing and thereafter trial. In view of the aforementioned, it is clear that it is not possible at this stage to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.

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40. Contingencies (continued)

(2022: The status of the claim where the district municipality was jointly added as a third party, remains the same as reported on in the previous year. Specifically that on 22 January 2018, a combined summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525,07 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018, a third party notice was served on the district municipality, in terms of which the Cape Winelands District Municipality was joint as a third party by the defendants (Thera Trust) who avers that the district municipality is a joint wrongdoer with Thera Trust (the defendant) in that the district municipality was negligent and that such negligence caused or contributed to the damages suffered by the plaintiff. The matter was reported to the district municipality's insurers and a fire incident report was accordingly provided, where after a notice of intention to defend was entered. The Cape Winelands District Municipality is currently awaiting the matter to be set down for pre-trial hearing and thereafter trial. In view of the aforementioned, it is clear that it is not possible at this stage to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.)

(iv) 2023: The status of the claim is the same as reported in the previous year. On 1 February 2021, a summons was issued by the High Court of South Africa, Western Cape Division, under Case Number 2023/21 in terms of which the plaintiffs instituted action against the Cape Winelands District Municipality, as the sixth defendant, for damages suffered to the amount of R26 767 475. The plaintiffs claim that a veld of forest fire that happened on or about 5 February 2018 and spread onto the plaintiffs properties from a certain property situated adjacent to the plaintiffs properties. The properties are located within the jurisdiction of the Cape Winelands District Municipality. The plaintiffs claim that the district municipality owed a general duty of care to the public to prevent the spread of a veldfire and resultant damages by acting reasonably and practically in the circumstances and furthermore to comply with the standard operating procedures in respect of veldfires occurring on days marked with a "Red" of "High - Extreme" Fire Danger Index rating. The district municipality entered a Notice of Intention to Defend. The relief the plaintiffs are seeking is as follows: (a) that the Defendants be held liable for the damages to the amount of R20 667 475, (b) that the Defendants be held liable for the damages to the amount R6 100 000, (c) interest on the aforesaid amounts at the prescribed rate a tempore morae from date of demand alternatively date of summons until date of payment in full, (d) costs of suit, (e) further and/or alternative relief. It is not yet practicable to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.

(2022: The status is the same as reported in the previous year. On 1 February 2021, a summons was issued by the High Court of South Africa, Western Cape Division, under Case Number 2023/21 in terms of which the plaintiffs instituted action against the Cape Winelands District Municipality, as the sixth defendant, for damages suffered to the amount of R26 767 475. The plaintiffs claim that a veld of forest fire that happened on or about 5 February 2018 and spread onto the plaintiffs properties from a certain property situated adjacent to the plaintiffs properties. The properties are located within the jurisdiction of the Cape Winelands District Municipality. The plaintiffs claim that the district municipality owed a general duty of care to the public to prevent the spread of a veldfire and resultant damages by acting reasonably and practically in the circumstances and furthermore to comply with the standard operating procedures in respect of veldfires occurring on days marked with a "Red" of "High - Extreme" Fire Danger Index rating. The district municipality entered a notice of intention to defend. The relief the plaintiffs are seeking is as follows: (a) that the defendants be held liable for the damages to the amount of R20 667 475, (b) that the defendants be held liable for the damages to the amount R6 100 000, (c) interest on the aforesaid amounts at the prescribed rate a tempore morae from date of demand alternatively date of summons until date of payment in full, (d) costs of suit, (e) further and/or alternative relief. It is not yet practicable to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.)

(v) 2023: The Cape Winelands District Municipality's insurance company received a letter of demand on 12 May 2022 from Santam Insurance. On 25 February 2021, an incident occurred between the plaintiff's vehicle and a vehicle of the Cape Winelands District Municipality. It is not yet practicable to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.

(vi) 2023: A combined summons was issued on 13 April 2022 by the Magistrates Court for the District of Worcester under Case No 919/2022 in terms of which N Adams instituted action against the Cape Winelands District Municipality. On or around 8 August 2021, a collision occurred between the plaintiff's vehicle and a pothole. Damages suffered were to the amount of R54 073.95 plus legal fees. It is not yet practicable to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.

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40. Contingencies (continued)

(vii) 2023: On 10 May 2023, the Cape Winelands District Municipality received a notice in terms of section 3 of the Institution of Legal Proceedings against Organs of State, (Act No. 40 of 2002) from the attorneys of B Shikwambana. The notice is for damages suffered to the amount of R26 238.33 in a motor vehicle accident on 14 June 2022. The matter was reported to the district municipality's insurers. It is not yet practicable to provide an estimate of the full extent of the financial effect, measured by using the principles set out for provisions.

viii) 2023: The municipality is still waiting on the outcome of seven public liability claims, 38 third party accident claims that were handed over to the state attorneys and/ or the municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.

(2022: The municipality is still waiting on the outcome of four public liability claims, 42 third party accident claims that were handed over to the state attorneys and/ or the municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.)

ix) 2023: The municipality responded to the notice received from Blignaut Neerahoo Attorneys regarding a contractual dispute for a claim of R402 285. The municipality has not received further correspondence from the plaintiff. The legal proceedings related to the matter have not yet commenced and there is no certainty that the municipality will be liable for the amount claimed

(2022: The municipality received a notice from Blignaut Neerahoo Attorneys regarding a contractual dispute for a claim of R402 285. The legal proceedings related to the matter have not yet commenced and there is no certainty that the municipality will be liable for the amount claimed.)

x) 2023: The municipality responded to the notice received from Marlo Laubscher Attorneys regarding an arrears municipal account of R33 732. The municipality has not received further correspondence from the plaintiff. The municipality currently is still awaiting the outcome of the enquiries it has made regarding the responsibility for the settlement of this arrears account as there are community members residing on the property who should be responsible for the settlement of the municipal accounts.

(2022: On 22 June 2022, the municipality received a notice from Marlo Laubscher Attorneys regarding an arrears municipal account of R33 732. The municipality currently is still awaiting the outcome of the enquiries it has made regarding the responsibility for the settlement of this arrears account as there are community members residing on the property who should be responsible for the settlement of the municipal accounts.)

40.2 Contingent assets

2023: The municipality is still awaiting the outcome of one insurance claim with an estimated amount of R4 719 that was not concluded as at 30 June 2023. The claim is specific to the 2022/2023 financial year.

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41. Related parties

The salaries and remuneration of key management and Councillors are disclosed in notes 24 & 25 to the Annual Financial Statements.

42. Change in estimate

Property, plant and equipment and Intangibles

42.1 Review of RUL of Property, plant and equipment and Intangibles

The following changes were made in accounting estimates during the year. The new depreciation/ amortisation for the year has been calculated and stated as well as the amount that the depreciation/ amortisation would have been had an estimate change not been effected.

Asset Type Description	Total of depreciation/ amortisation on assets for 2022/23 had no change been effected:	Total new depreciation/ amortisation for 2022/23 after the change was effected:	2022/2023: Difference: Increase in depreciation/ amortisation	Total of depreciation/ amortisation on assets for future years had no change been effected:	Total new depreciation/ amortisation for future years after the change was effected:	Future years: Difference: Decrease in depreciation/ amortisation
Intangibles	52,616	75,159	22,543	174,083	151,539	(22,543)

43. B-BBEE Performance

2022/2023

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

The municipality did not include the compliance results with B-BBEE in the 2021/2022 Annual report due to delays as a result of disputes regarding outcomes. The municipality were regarded to be non-compliant for the 2021/2022 Financial year.

2021/2022

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

The municipality included the relevant disclosure on B-BBEE performance in a note to the 2020/2021 financial statements. However, the municipality omitted to report its compliance results with B-BBEE in the 2020/2021 Annual Report. The municipality is a Level Seven Contributor.

44. Events after the reporting date

a) The additional amount included in note 16 to provisions relating to the adjusting event amounted to R57 000.

b) Appropriation has been made in the 2023/2024 Annual Budget for the retrospective implementation from 1 July 2022 of the upper limits of salaries, allowances and benefits of a Grade 5 municipal council as set out in the Notice No. 3807 published in Government Gazette No. 49142 of 18 August 2023. The financial impact of this retrospective implementation is R527 463 and is subject concurrence by the MEC for local government in the province.

45. Reconciliation between budget and annual financial statements

45.1 Statement of financial performance

Service charges (Actual amount as per statement of comparison)	-	-
Service charges	138,396	-
Actual amount as per statement of financial performance	138,396	-

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45. Reconciliation between budget and annual financial statements (continued)

Service charges were remapped from other revenue to adhere to the requirements of GRAP.

Agency services (Actual amount as per statement of comparison)	117,789,784	-
Roads capital	816,856	-
Management fees	10,488,175	-
Management fees	(12,061,401)	-
Actual amount as per statement of financial performance	117,033,414	-

The capital financing for roads services was remapped from transfers and subsidies to roads services. Management fees were remapped to roads services to adhere to the requirements of GRAP.

To align to the accounting treatment for the funding received from Department of Transport and Public Works (Department of Infrastructure) with regard to roads maintenance, the prior year naming convention for this funding source was changed from agency services to roads services. Both the prior year and current year naming convention is therefore consistent. This allows the users of the financial statements to have a clear understanding of the substance to this funding source.

Licences and permits (Actual amount as per statement of comparison)	693,504	-
Licences and permits	(693,504)	-
Actual amount as per statement of financial performance	-	-

Licences and permits were remapped to other income to adhere to the requirements of GRAP.

Transfers and subsidies (Actual amount as per statement of comparison)	256,947,947	-
Sandhills toilet hire	509,352	-
Public contributions and donations	(251,005)	-
Actual amount as per statement of financial performance	257,206,294	-

Sandhills toilet hire was remapped from other revenue to transfers and subsidies to adhere to the requirements of GRAP. Public contributions and donations were remapped to adhere to the requirements of GRAP.

Public contributions and donations (Actual amount as per statement of comparison)	-	-
Public contributions and donations	251,005	-
Actual amount as per statement of financial performance	251,005	-

Public contributions and donations were remapped from transfers and subsidies to adhere to the requirements of GRAP.

Other revenue (Actual amount as per statement of comparison)	11,770,407	-
Management fees: Roads services	(10,488,175)	-
Service charges	(138,396)	-
Management fees: RRAMS	(71,925)	-
Sandhills toilet hire	(509,352)	-
Licences and permits	693,504	-
Actual amount as per statement of financial performance	1,256,063	-

Other revenue was remapped to adhere to the requirements of GRAP.

Employee-related costs (Actual amount as per statement of comparison)	221,173,724	-
Workmen's compensation fund	1,100,457	-
Interest cost	(13,454,000)	-
Actual amount as per statement of financial performance	208,820,181	-

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45. Reconciliation between budget and annual financial statements (continued)

Workmen's compensation fund was remapped from other expenditure to employee-related cost to adhere to the requirements of GRAP. Interest cost on post-retirement benefits and long-service awards was remapped to finance costs to adhere to the requirements of GRAP.

Finance cost (Actual amount as per statement of comparison)	-	-
Interest cost	13,454,000	-
Actual amount as per statement of financial performance	13,454,000	-

Interest cost on post-retirement benefits and long-service awards was remapped from employee-related costs to finance costs to adhere to the requirements of GRAP.

Lease rentals on operating lease (Actual amount as per statement of comparison)	-	-
Lease rentals on operating lease	298,157	-
Actual amount as per statement of financial performance	298,157	-

Lease rentals on operating lease were remapped from other expenditure to adhere to the requirements of GRAP.

Inventory consumed (Actual amount as per statement of comparison)	36,914,883	-
General expenses	(36,914,883)	-
Actual amount as per statement of financial performance	-	-

Inventory consumed was remapped to general expenses to adhere to the requirements of GRAP.

Other expenditure (Actual amount as per statement of comparison)	64,705,133	-
Workmen's compensation fund	(1,100,457)	-
Lease rental on operating leases	(298,157)	-
Inventory consumed	36,914,883	-
Management fees	(12,061,401)	-
Actual amount as per statement of financial performance	88,160,001	-

Workmen's compensation fund was remapped from other expenditure to employee-related cost to adhere to the requirements of GRAP. Lease rentals on operating lease were remapped from other expenditure to adhere to the requirements of GRAP. Inventory consumed was remapped to general expenditure to adhere to the requirements of GRAP. Management fees were remapped from other expenditure to roads services.

Losses (Actual amount as per statement of comparison)	1,729,805	-
Inventories losses	(158,000)	-
Actual amount as per statement of financial performance	1,571,805	-

Inventories losses were remapped from other expenditure to adhere to the requirements of GRAP.

Inventories losses (Actual amount as per statement of comparison)	-	-
Inventories losses	158,000	-
Actual amount as per statement of financial performance	158,000	-

Inventories losses were remapped from losses to adhere to the requirements of GRAP.

Transfers and subsidies: Capital monetary (Actual amount as per statement of comparison)	816,856	-
Roads capital	(816,856)	-
Actual amount as per statement of financial performance	-	-

The capital financing for roads was remapped from transfers and subsidies to roads services.

Cape Winelands District Municipality
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45. Reconciliation between budget and annual financial statements (continued)

Contracted services (Actual amount as per statement of comparison)	40,641,300	-
Management fee: Rural roads asset management	(71,925)	-
Actual amount as per statement of financial performance	40,569,375	-

Management fee for the rural roads asset management was remapped from other income to adhere to the requirements of GRAP.

45.2 Statement of financial position

Cash and cash equivalents (Actual amount as per statement of comparison)	-	-
Cash on hand	4,041,786	-
Call investment deposits	639,500,000	-
Actual amount as per statement of financial position	643,541,786	-

Cash on hand and call investment deposits were remapped to adhere to the requirements of GRAP.

Consumer debtors (Actual amount as per statement of comparison)	31,197,253	-
Service charges	(81,031)	-
Prepayments and advances	2,490,217	-
Insurance claims	29,807	-
Output VAT: Provision for doubtful debt impairment	(649)	-
Deposits	4,740	-
Accrued interest	23,511,314	-
Third party refund	248,445	-
Actual amount as per statement of financial position	57,400,096	-

Consumer debtors were remapped to adhere to the requirements of GRAP.

VAT receivable (Actual amount as per statement of comparison)	-	-
VAT receivable	2,693,524	-
Actual amount as per statement of financial position	2,693,524	-

VAT receivable was remapped from other debtors and trade and other payables to adhere to the requirements of GRAP.

Receivables from non-exchange transactions (Actual amount as per statement of comparison)	-	-
Accrued income	84,892	-
Actual amount as per statement of financial position	84,892	-

Accrued income was remapped from other debtors to adhere to the requirements of GRAP.

Receivables from non-exchange transactions: Non-current (Actual amount as per statement of comparison)	-	-
Accrued Income	6,349,282	-
Actual amount as per statement of financial position	6,349,282	-

Accrued income was remapped from other debtors to adhere to the requirements of GRAP.

Cape Winelands District Municipality
Annual Financial Statements for the year ended 30 June 2023

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45. Reconciliation between budget and annual financial statements (continued)

Consumer deposits (Actual amount as per statement of comparison)	22,500	-
Consumer deposits	(22,500)	-
Actual amount as per statement of financial position	-	-

Consumer deposits were remapped to payables from exchange transactions to adhere to the requirements of GRAP.

Trade and other payables (Actual amount as per statement of comparison)	18,537,018	-
Unspent conditional grants	(1,912,300)	-
Output VAT	95,933	-
Employee benefits	(2,158,334)	-
Consumer deposits	22,500	-
Actual amount as per statement of financial position	14,584,817	-

Trade and other payables were remapped to adhere to the requirements of GRAP.

Provisions (Actual amount as per statement of comparison)	36,146,612	-
Employee benefits	(36,089,612)	-
Actual amount as per statement of financial position	57,000	-

Provisions were remapped to employee benefit obligation to adhere to the requirements of GRAP.

Accumulated surplus (Actual amount as per statement of comparison)	784,296,059	-
Reserves	66,387,818	-
Actual amount as per statement of financial position	850,683,877	-

Reserves were remapped to accumulated surplus to adhere to the requirements of GRAP.

45.3 Cashflow statement

Employee-cost (Actual amount as per statement of comparison)	-	-
Employee cost	218,964,508	-
Amount as per cash flow statement	218,964,508	-

Employee cost was remapped from suppliers and employees to adhere to the requirements of GRAP.

Remuneration of Councillors (Actual amount as per statement of comparison)	-	-
Remuneration of Councillors	13,606,889	-
Amount as per cash flow statement	13,606,889	-

Remuneration of Councillors was remapped from suppliers and employees to adhere to the requirements of GRAP.

Transfers and grants (Actual amount as per statement of comparison)	(12,400,174)	-
Transfers and grants	12,400,174	-
Amount as per cash flow statement	-	-

Transfers and grants were remapped to suppliers to adhere to the requirements of GRAP.

Notes to the Annual Financial Statements

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46. Actual operating expenditure versus budgeted operating expenditure

According to the Accounting Policy, explanations should be provided in cases where the difference between the Adjustments Budget and the Actual Expenditure exceeds 10%.

Current assets

Consumer debtors

Variance as a result of the future medical aid liability, ex-gratia pension and long service bonus that is only calculated at year end.

Other debtors

Variance as a result of higher interest rates than anticipated during the budget preparation process.

Inventory

The issuing of inventory was less than anticipated during the budget preparation process.

Current portion of long- term receivable

The calculation that is made for the future medical aid liability, ex-gratia pension and long service bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Cash

Variance as a result of the budget schedules mapping the call account as part of investments.

Call investment deposits

During the latter part of the financial year, transfers were made from current investments to non-current investments.

Non-current assets

Property, plant and equipment

Variance is less than 10%, no reason required.

Investments

During the latter part of the financial year, transfers were made from current investments to non-current investments.

Intangible assets

Capital items classified as property, plant and equipment during the budget preparation process were reclassified to intangible assets during the preparation of the annual financial statements.

Other non-current assets

The calculation that is made for the future medical aid liability, ex-gratia pension and long-service bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Notes to the Annual Financial Statements

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46. Actual operating expenditure versus budgeted operating expenditure (continued)

Liabilities

Current liabilities

Consumer deposits

During the budget preparation process there was no lease agreement in place, hence no provision was made for consumer deposits.

Trade and other payables

The delivery of specialised fire fighting vehicles at year end gave rise to an increase in creditor accruals.

Provisions

The calculation that is made for the future medical aid liability, ex-gratia pension and long service bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Non-current liabilities

Provisions

Variance is less than 10%, no reason required.

Net assets

Reserves

The transfer to the capital replacement reserves is only done at year end and therefore cannot be accurately budget for.

46.2 Statement of financial performance

Rental of facilities and equipment

Variance as result of the lease agreement only being finalised in April 2023.

Agency services

Variance is less than 10%, no reason required.

Licences and permits

Variance is less than 10%, no reason required.

Other revenue

Other revenue consists of different income sources which is subject to change due to external factors.

Interest received - investment

Variance as a result of higher interest rates than anticipated during the budget process.

Transfer and subsidies

Variance is less than 10%, no reason required.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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46. Actual operating expenditure versus budgeted operating expenditure (continued)

Expenditure

Employee-related costs

Variance as a result of vacant post not being filled due to the implementation of the new staff regulations.

Remuneration of Councillors

Variance is less than 10%, no reason required.

Inventory consumed

Variance is less than 10%, no reason required.

Depreciation and amortisation

Variance is less than 10%, no reason required.

Debt impairment

Variance is less than 10%, no reason required.

Contracted services

Not all projects were rolled out as planned and have been deferred to the next financial year.

Transfers and subsidies

The deregistration of a few of the non-profit organisations gave effect to the non-payment of funds to beneficiaries.

Other expenditure

Variance as a result of tender prices quoted being less than anticipated.

Losses

Variance is less than 10%, no reason required.

Transfer and subsidies - capital (monetary allocations)

A large portion of the unspent amount relates to the emergency loadshedding relief grant that was allocated to the municipality during the latter part of the financial year, hence it was impossible to spend the funds by the end of 30 June 2023.

46.3 Cash flow statement

Other revenue

Refer to reason provided above for the statement of financial performance.

Transfers and subsidies - operational

Variance is less than 10%, no reason required.

Transfers and subsidies - capital

The replacement for the Ceres workshop asbestos roof for road services was only partially completed in the 2022/2023 financial year.

Cape Winelands District Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
46. Actual operating expenditure versus budgeted operating expenditure (continued)		
Interest		
The accrued interest was incorrectly mapped as a cash flow item during the budget preparation process.		
Suppliers and employees		
Refer to reason provided above for the statement of financial performance.		
Transfers and grants		
Refer to reason provided above for the statement of financial performance.		
Capital assets		
The delivery of specialised firefighting vehicles occurred at year-end and were recognised as accruals.		
Investments		
During the latter part of the financial year, transfers were made from current investments to non-current investments.		
Proceeds from sale of property, plant and equipment		
At the time the final budget was approved is not known which assets will be disposed during the financial year.		
Consumer deposits		
During the budget preparation process there was no lease agreement in place, hence no provision was made for consumer deposits.		
47. Additional disclosure in terms of Municipal Finance Management Act		
47.1) Contributions to organised local government		
Current year subscription / fee	2,290,110	2,321,684
Amount paid - current year	(2,175,605)	(2,205,600)
Discount received (5%)	(114,505)	(116,084)
	<u>-</u>	<u>-</u>
47.2) Audit fees		
Current year audit fee-AGSA	3,206,646	2,573,272
Current year audit fee-Audit Committee	121,833	102,576
Amount paid	(3,316,503)	(2,670,178)
	<u>11,976</u>	<u>5,670</u>
47.3) PAYE, UIF and SDL		
Current year payroll deductions	40,929,436	(39,178,059)
Amount paid - current year	(40,929,436)	39,178,059
	<u>-</u>	<u>-</u>
47.4) Pension and Medical Aid Deductions		
Current year payroll deductions	(70,579,325)	(67,631,029)
Amount paid - current year	70,579,325	67,631,029
	<u>-</u>	<u>-</u>

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47. Additional disclosure in terms of Municipal Finance Management Act (continued)		
47.5) VAT		
VAT receivable	5,710,257	2,743,707
VAT payable	(3,016,733)	(288,627)
	2,693,524	2,455,080

All VAT returns were submitted by the due date throughout the year.

47.6) Councillors' arrear accounts

During the financial year under review no Councillor was in arrears with the settlement of rates or services.

However, Councillor arrear accounts are in respect of Councillors Gwada, Ross, Nyamana and Heradien for the overpayment of remuneration due to the upward change in the grading of Witzenberg, Drakenstein and Langeberg Municipalities and the termination of Cllr Mcako of Stellenbosch Municipality.

The arrear accounts of Councillors Magqazana and Qoba relate to overpayments due to calculation errors with the final payments at the termination/resignation of their positions held as Councillors of the CWDM.

30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. Z.L Gwada	-	2,463	2,463
Cllr. S. Ross	-	4,387	4,387
Cllr. S.W. Nyamana	-	769	769
Cllr. P Heradien (resigned 10/12/2014)	-	10,315	10,315
Cllr. C. Mcako (resigned 29/06/2016)	-	1,138	1,138
Cllr. S.S. Magqazana	-	742	742
Cllr. L.N. Qoba	-	107	107
	-	19,921	19,921

In terms of section 167(2) of the MFMA, the municipality must and has the right to, recover remuneration paid otherwise than in accordance with the framework of the Remuneration of Public Office-Bearers Act, 1998 from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration.

(i) In respect of upward grading of the local municipalities within the district:

In view of the above-mentioned determination, the municipality recovered all overpayments as a result of the upward grading or changes in positions held on council committees of its local municipalities, except for the above mentioned Councillors, where payment arrangements have been made or legal action instituted.

Legal action against Councillors Heradien, Ross, Gwada (deceased) and Nyamana is currently in process. Attempts by the municipality's debt collectors to institute a claim against the deceased estate of Cllr Gwada are ongoing, though to date this has been unsuccessful. Challenges with the appointment of debt collectors delayed the said legal process, however a contract was secured towards the end of the financial year.

(ii) In respect of resignations:

Attempts by the municipality's debt collectors to institute a claim against the deceased estate of Cllr Mcako are still ongoing, though to date this has been unsuccessful. Challenges with the appointment of debt collectors delayed the said legal process; however a contract was secured towards the end of the financial year. Councillors Magqazana and Qoba will be handed over for the institution of legal action.

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47. Additional disclosure in terms of Municipal Finance Management Act (continued)		
30 June 2022		
	Outstanding less than 90 days	Outstanding more than 90 days
		Total
Cllr. Z.L Gwada	-	2,463
Cllr. S. Ross	-	4,387
Cllr. S.W. Nyamana	-	769
Cllr. P Heradien (resigned 10/12/2014)	-	10,315
Cllr. C. Mcako (resigned 29/06/2016)	-	1,138
Cllr. N.S. Louw (resigned 25/07/2018)	-	689
Cllr. S.S. Magqazana	-	1,868
Cllr. L.N. Qoba	-	856
	-	22,485
		22,485

In terms of section 167(2) of the MFMA, the municipality must and has the right to, recover remuneration paid otherwise than in accordance with the framework of the Remuneration of Public Office-Bearers Act, 1998 from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration.

(i) In respect of upward grading of the local municipalities within the district:

In view of the above-mentioned determination, the municipality recovered all overpayments as a result of the upward grading or changes in positions held on council committees of its local municipalities, except for the above mentioned Councillors, where payment arrangements have been made or legal action instituted.

Legal action against Councillors Heradien, Ross, Gwada (deceased) and Nyamana is currently in progress. Attempts by the municipality's debt collectors to institute a claim against the deceased estate of Cllr Gwada are still ongoing, though to date this has been unsuccessful.

(ii) In respect of resignations / terminations:

Cllr Louw has adhered to the payment arrangements made and the relevant arrears were fully recovered after 30 June 2022. Attempts by the municipality's debt collectors to institute a claim against the deceased estate of Cllr Mcako are ongoing, though to date this has been unsuccessful. Councillors Magqazana and Qoba will be handed over for legal action to be instituted, pending the appointment of a new debt collector.

Particulars of non-compliance

No incidents of non-compliance occurred during the current and prior financial year.

Disclosures by municipality on intergovernmental and other allocations

Allocations made to municipalities

Section 123 of the MFMA determines that the municipality must disclose information on any allocations made by the municipality to another municipality. The following allocations were made to local municipalities within CWDM for projects as identified by the respective local municipality in terms of service level agreements:

Breede Valley Municipality	605,000	962,000
Drakenstein Municipality	815,000	6,226,000
Langeberg Municipality	560,000	864,000
Stellenbosch Municipality	615,000	984,000
Witzenberg Municipality	1,560,000	764,000
	4,155,000	9,800,000

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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48. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of nine major functional areas. The functional areas make up segments of the three strategic objectives of the municipality.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community development and planning services	Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District
Technical services	Promoting sustainable infrastructure services and a transport system that foster social and economic opportunities

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48. Segment information (continued)

2023

	Community development and planning services	Technical services	Non- reportable	Total
Revenue				
Revenue from exchange transactions				
Service charges	138,396	-	-	138,396
Rental of facilities and equipment	-	-	91,087	91,087
Roads services	-	106,545,239	10,488,175	117,033,414
Other income	693,504	18,347	544,212	1,256,063
Interest revenue - investment	-	-	62,998,758	62,998,758
Revenue from non- exchange transactions				
Transfer revenue	-	-	-	-
Government grants and subsidies	1,236,500	2,636,995	253,332,799	257,206,294
Public contribution and donations	-	251,005	-	251,005
Total segment revenue	2,068,400	109,451,586	327,455,031	438,975,017
Total revenue				438,975,017
Expenditure				
Employee-related costs	93,214,527	66,243,477	49,362,173	208,820,177
Remuneration of Councillors	-	-	13,606,889	13,606,889
Depreciation and amortisation	4,235,267	2,224,490	2,807,369	9,267,126
Lease rentals on operating lease	-	-	298,157	298,157
Debt impairment	-	-	102,220	102,220
Finance cost	-	-	13,454,000	13,454,000
Contracted services	24,010,281	7,571,224	8,987,871	40,569,376
Transfers and subsidies	7,034,107	1,866,067	3,500,001	12,400,175
Loss on disposal of assets	122,571	1,192,697	256,537	1,571,805
Inventories losses / write- downs	-	-	158,000	158,000
General expenses	10,448,027	50,515,909	27,196,066	88,160,002
Total segment expenditure	139,064,780	129,613,864	119,729,283	388,407,927
Surplus/(deficit)				50,567,090
Assets				
Non - current assets	12,232,579	5,268,846	3,090,639	20,592,064
Intangible assets	-	-	144,000	144,000
Total additions to non- current assets	12,232,579	5,268,846	3,234,639	20,736,064

Cape Winelands District Municipality

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48. Segment information (continued)

2022

	Community development and planning services	Technical services	Non-reportable	Total
Revenue				
Revenue from exchange transactions				
Service charges	182,762	-	-	182,762
Rental of facilities and equipment	-	-	229,049	229,049
Roads services	-	96,314,491	9,321,397	105,635,888
Other income	739,566	46,707	524,854	1,311,127
Interest received - investment	-	-	40,295,365	40,295,365
Revenue from non- exchange transactions				
Transfer revenue	-	-	-	-
Government grants and subsidies	2,304,762	2,861,268	248,108,613	253,274,643
Public contribution and donations	89,080	9,587	840,000	938,667
Total segment revenue	3,316,170	99,232,053	299,319,278	401,867,501
Total revenue				401,867,501
Expenditure				
Employee-related cost	91,325,121	64,088,393	50,738,688	206,152,202
Remuneration of Councillors	-	-	12,744,505	12,744,505
Depreciation and amortisation	4,650,557	2,115,271	3,022,133	9,787,961
Lease rentals on operating lease	-	-	298,157	298,157
Debt impairment	-	-	113,215	113,215
Finance cost	-	-	13,896,000	13,896,000
Contracted services	20,132,438	5,108,724	7,983,934	33,225,096
Transfers and subsidies	8,199,521	1,288,865	7,500,000	16,988,386
Loss on disposal of assets	52,068	59,114	21,286	132,468
Inventories losses / write- downs	-	-	49,320	49,320
General expenses	9,891,441	38,797,730	25,076,707	73,765,878
Total segment expenditure	134,251,146	111,458,097	121,443,945	367,153,188
Surplus/(deficit)				34,714,313
Other information				
Non- current assets	1,031,286	383,829	1,680,128	3,095,243
Intangible assets	-	38,158	-	38,158
Total additions to non- current assets	1,031,286	421,987	1,680,128	3,133,401

Measurement of segment surplus or deficit

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

Although the municipality operates in a number of geographical areas, it is irrelevant for users of the financial statements as the municipality's geographical areas of operation can be seen as a single geographical area when deciding how to allocate resources.

Cape Winelands District Municipality
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Notes to the Annual Financial Statements

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49. Capital commitments		
Approved and contracted for		
Property, plant and equipment - Buildings	233,766	-
Property, plant and equipment - Infrastructure	281,417	171,695
Property, plant and equipment - Office equipment	-	47,265
	515,183	218,960

The amount of R233 766 relates to Tender T2022/101 for the removal of existing thatch and re-thatching of roof.

The amount of R 281 417 relates to Tender T2019/132 (2023:R 110 354; 2022: R171 695) and Tender T2021/057 (2023: R 171 063) respectively for the development of a regional landfill site.

The amount of R47 265 relates to Quotation 2020/073 for the procurement and installation of remote ethernet devices.

Cape Winelands District Municipality

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50. Disclosures in terms of the Municipal Supply Chain Management Regulations, 2005

50.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b).

2023	Total Value (incl. VAT)	Emergency	Sole Supplier/ Agent	Impractical
July	2,007,808	-	2	19
August	2,304,739	-	-	7
September	-	-	-	-
October	90,296	-	2	2
November	522,448	24	3	1
December	3,758,087	13	-	8
January	293,904	-	-	7
February	1,748,341	-	-	3
March	258,534	-	-	8
April	57,147	-	-	2
May	101,900	-	2	3
June	190,087	-	-	6
	11,333,291	37	9	66

2022	Total Value (incl. VAT)	Emergency	Sole Supplier/ Agent	Impractical
July	454,485	-	-	5
August	2,324,853	-	2	19
September	270,577	1	1	3
October	260,232	1	3	4
November	431,266	-	1	10
December	365,119	-	-	11
January	301,744	-	-	6
February	2,227,940	-	4	11
March	136,317	-	1	5
April	60,227	-	-	6
May	112,908	-	-	8
June	316,427	-	-	12
	7,262,095	2	12	100

Cape Winelands District Municipality

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50.2 Regulation 45 - Particulars of awards of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. (Amounts disclosed include VAT)

Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2023	2022
M & N Bakwerkwe Close Corporation	Brother/Sister	E Niemand	Cape Winelands District Municipality	Supply Chain Management Practitioner	19,108	12,846
JPCE (Pty) Ltd	Spouse	JA Minnie	City of Cape Town	Manager: Disaster Management Centre: Safety and Security Directorate	61,341	-
NCC Environmental Services Proprietary Limited	Spouse	C Rhoda	City of Cape Town	Manager	6,226,557	6,965,841
Masiqame Trading 77 Close Corporation	Child	B Qxilishe	Department of Agriculture	Snr Admin officer: Dept of Agriculture, Forestry & Fisheries	39,512	32,918
	Child	S Qxilishe	Western Cape Education Department	Teacher at Du Noon		
Piston Power Chemicals Close Corporation	Spouse	N Andhee	Department of Education	Teacher	489,215	111,332
Jah Guide Agriculture Proprietary Limited	Spouse	G Davids	SAPS	Police Official	138,456	801,635

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Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2023	2022
CC Davids T/A Mc Sound and Lightning	Spouse	M Davids	Witzenburg Municipality	Official	17,300	19,900
Neoteric Trading Services (Pty) Ltd	Spouse	AA Jacobs	Cape Agulhas Municipality	Director	107,294	52,324
Malherbe Tubb Faure Inc	Child	C Faure	Western Cape Education Department	Teacher	-	33,000
	Parent	P Williams	Cape Winelands District Municipality	Executive Director		
Ladybugs Innovative Marketing (Pty) Ltd	Spouse	RA Levendal	Department of Correctional Services	Environmental Health Practitioner	38,636	31,594
Zutari (Pty) Ltd	Spouse	Ahischlager, HC		Legal Representative	292,168	-
	Spouse	Nadasen K	National Department of Public Works	Director: Key Account Management		
	Sister	Seegers, S	City of Cape Town	Head of Security Architecture		
ALC Projects	Spouse	DC Human	Breede Valley Municipality	Storeman	4,503	-
					7,434,090	8,061,390

Annexure A

DC2 Cape Winelands DM - Reconciliation of Table A1 Budget Summary

Description	2022/23								2021/22			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-	-	-
Investment revenue	43,000	13,000	56,000	62,999	-	6,999	112.5%	146.5%	-	-	-	-
Transfers recognised - operational	258,116	(405)	257,711	256,948	-	(763)	99.7%	99.5%	-	-	-	-
Other own revenue	123,836	21,834	145,669	130,345	-	(15,325)	89.5%	105.3%	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	424,952	34,429	459,381	450,291	-	(9,089)	98.0%	106.0%	-	-	-	-
Employee costs	234,208	13,557	247,765	221,174	-	(26,591)	89.3%	94.4%	-	-	-	-
Remuneration of councillors	13,825	48	13,873	13,607	-	(266)	98.1%	98.4%	-	-	-	-
Debt impairment	500	(398)	102	102	-	(0)	100.0%	20.4%	-	-	-	-
Depreciation & asset impairment	9,561	37	9,597	9,267	-	(330)	96.6%	96.9%	-	-	-	-
Finance charges	2,790	(2,790)	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	19,455	18,642	38,098	36,915	-	(1,183)	96.9%	189.7%	-	-	-	-
Transfers and grants	17,040	(1,289)	15,751	12,400	-	(3,351)	78.7%	72.8%	-	-	-	-
Other expenditure	129,701	4,494	134,195	107,076	-	(27,119)	79.8%	82.6%	-	-	-	-
Total Expenditure	427,080	32,301	459,381	400,541	-	(58,839)	87.2%	93.8%	-	-	-	-
Surplus/(Deficit)	(2,128)	2,128	-	49,750	-	49,750	#DIV/0!	-2338.0%	-	-	-	-
Transfers recognised - capital	2,128	(5)	2,123	817	-	(1,307)	38.5%	38.4%	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	2,123	2,123	50,567	-	48,444	2381.5%	#DIV/0!	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	2,123	2,123	50,567	-	48,444	2381.5%	#DIV/0!	-	-	-	-
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	2,128	(5)	2,123	817	-	(1,307)	38.5%	38.4%	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	(64,000)	-	-	-	-	-	-	-	-	-	-
Internally generated funds	58,056	(29,092)	28,964	19,919	-	(9,045)	68.8%	34.3%	-	-	-	-
Total sources of capital funds	60,183	(93,096)	31,087	20,736	-	(10,351)	66.7%	34.5%	-	-	-	-
Cash flows												
Net cash from (used) operating	14,139	(1,204)	12,935	43,773	-	30,838	338.4%	309.6%	-	-	-	-
Net cash from (used) investing	(124,183)	93,096	(31,087)	(190,560)	-	(159,472)	613.0%	153.5%	-	-	-	-
Net cash from (used) financing	104,943	(104,963)	(20)	-	-	20	-	-	-	-	-	-
Cash/cash equivalents at the year end	780,667	(8,511)	772,157	643,542	-	(128,615)	83.3%	82.4%	-	-	-	-

DC2 Cape Winelands DM - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2022/23								2021/22			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	307,391	14,670	322,062	326,363		4,302	101.3%	106.2%				-
Executive and council	57,552	14,624	72,176	76,460		4,284	105.9%	132.9%				
Budget and treasury office	249,505	-	249,505	249,484		(21)	100.0%	100.0%				
Corporate services	335	46	381	419		38	110.0%	125.1%				
Community and public safety	2,348	530	2,878	2,068		(810)	71.9%	88.1%				-
Community and social services	1,575	530	2,105	1,236		(868)	58.7%	78.5%				
Sport and recreation	-	-	-	-		-	-	-				
Public safety	120	-	120	138		18	115.3%	115.3%				
Housing	-	-	-	-		-	-	-				
Health	653	-	653	694		41	106.2%	106.2%				
Economic and environmental services	117,290	19,224	136,514	122,677		(13,838)	89.9%	104.6%				-
Planning and development	5,840	(1,153)	4,687	3,465		(1,222)	73.9%	59.3%				
Road transport	111,450	20,377	131,827	119,211		(12,615)	90.4%	107.0%				
Environmental protection	-	-	-	-		-	-	-				
Trading services	-	-	-	-		-	-	-				-
Electricity	-	-	-	-		-	-	-				
Water	-	-	-	-		-	-	-				
Waste water management	-	-	-	-		-	-	-				
Waste management	-	-	-	-		-	-	-				
Other	50	-	50	-		(50)	-	-				
Total Revenue - Standard	427,080	34,424	461,504	451,108		(10,396)	97.7%	105.6%				-
Expenditure - Standard												
Governance and administration	135,899	6,174	142,073	122,155	-	(19,919)	86.0%	89.9%	-	-	-	-
Executive and council	37,377	6,207	43,585	39,192	-	(4,393)	89.9%	104.9%				
Budget and treasury office	30,334	(938)	29,396	24,548	-	(4,847)	83.5%	80.9%				
Corporate services	68,188	905	69,093	58,414	-	(10,679)	84.5%	85.7%				
Community and public safety	128,147	12,492	140,639	122,133	-	(18,506)	86.8%	95.3%	-	-	-	-
Community and social services	22,487	884	23,370	18,620	-	(4,750)	79.7%	82.8%				
Sport and recreation	-	-	-	-	-	-	-	-				
Public safety	63,370	10,062	73,432	65,633	-	(7,799)	89.4%	103.6%				
Housing	-	-	-	-	-	-	-	-				
Health	42,291	1,546	43,837	37,880	-	(5,957)	86.4%	89.6%				
Economic and environmental services	153,723	13,506	167,229	148,227	-	(19,002)	88.6%	96.4%	-	-	-	-
Planning and development	36,007	(4,505)	31,502	26,166	-	(5,336)	83.1%	72.7%				
Road transport	117,716	18,011	135,728	122,061	-	(13,666)	89.9%	103.7%				
Environmental protection	-	-	-	-	-	-	-	-				
Trading services	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-				
Water	-	-	-	-	-	-	-	-				
Waste water management	-	-	-	-	-	-	-	-				
Waste management	-	-	-	-	-	-	-	-				
Other	9,310	129	9,439	8,027	-	(1,412)	85.0%	86.2%				
Total Expenditure - Standard	427,080	32,301	459,381	400,541	-	(58,839)	87.2%	93.8%	-	-	-	-
Surplus/(Deficit) for the year	-	2,123	2,123	50,567	-	48,444	2381.5%	#DIV/0!	-	-	-	-

DC2 Cape Winelands DM - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2022/23								2021/22			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	50	-	50	-		(50)	-	-				
Vote 2 - COMM AND DEV	2,273	454	2,727	1,932		(795)	70.8%	85.0%				
Vote 3 - ENGINEERING	5,840	(1,481)	4,360	3,052		(1,308)	70.0%	52.3%				
Vote 4 - RURAL AND SOCIAL	75	76	151	137		(14)	90.7%	182.5%				
Vote 5 - OFFICE OF THE MM	-	1,000	1,000	1,000		-	100.0%	#DIV/0!				
Vote 6 - FINANCIAL SERVICES	249,505	-	249,505	249,484		(21)	100.0%	100.0%				
Vote 7 - CORPORATE SERVICES	57,887	14,670	72,557	76,879		4,322	106.0%	132.8%				
Vote 8 - ROADS AGENCY	111,450	19,705	131,155	118,625		(12,530)	90.4%	106.4%				
Vote 9 - TASK	-	-	-	-		-	-	-				
Vote 10 - HEALTH AGENCY	-	-	-	-		-	-	-				
Vote 11 - CORPORATE SERVICES	-	-	-	-		-	-	-				
Example 12 - Vote12	-	-	-	-		-	-	-				
Example 13 - Vote13	-	-	-	-		-	-	-				
Example 14 - Vote14	-	-	-	-		-	-	-				
Example 15 - Vote15	-	-	-	-		-	-	-				
Total Revenue by Vote	427,080	34,424	461,504	451,108		(10,396)	97.7%	105.6%				-
Expenditure by Vote to be appropriated												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	20,129	(725)	19,404	16,932		(2,472)	87.3%	84.1%				
Vote 2 - COMM AND DEV	115,586	10,858	126,444	109,384		(17,061)	86.5%	94.6%				
Vote 3 - ENGINEERING	46,021	(5,653)	40,368	33,310		(7,058)	82.5%	72.4%				
Vote 4 - RURAL AND SOCIAL	12,561	1,634	14,195	12,749		(1,446)	89.8%	101.5%				
Vote 5 - OFFICE OF THE MM	15,409	2,112	17,521	14,430		(3,091)	82.4%	93.6%				
Vote 6 - FINANCIAL SERVICES	30,334	(938)	29,396	24,548		(4,847)	83.5%	80.9%				
Vote 7 - CORPORATE SERVICES	68,353	5,893	74,246	64,617		(9,629)	87.0%	94.5%				
Vote 8 - ROADS AGENCY	111,338	18,503	129,841	117,861		(11,980)	90.8%	105.9%				
Vote 9 - TASK	-	-	-	-		-	-	-				
Vote 10 - HEALTH AGENCY	-	-	-	-		-	-	-				
Vote 11 - CORPORATE SERVICES	7,349	617	7,966	6,709		(1,257)	84.2%	91.3%				
Example 12 - Vote12	-	-	-	-		-	-	-				
Example 13 - Vote13	-	-	-	-		-	-	-				
Example 14 - Vote14	-	-	-	-		-	-	-				
Example 15 - Vote15	-	-	-	-		-	-	-				
Total Expenditure by Vote	427,080	32,301	459,381	400,541	-	(58,839)	87.2%	93.8%	-	-	-	-
Surplus/(Deficit) for the year	-	2,123	2,123	50,567	-	48,444	2381.5%	#DIV/0!	-	-	-	-

DC2 Cape Winelands DM - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2022/23								2021/22			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	240	-	240	91	-	(149)	38.0%	38.0%	-	-	-	-
Interest earned - external investments	43,000	13,000	56,000	62,999	-	6,999	112.5%	146.5%	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	653	-	653	694	-	41	106.2%	106.2%	-	-	-	-
Agency services	109,172	20,659	129,831	117,790	-	(12,041)	90.7%	107.9%	-	-	-	-
Transfers recognised - operational	258,116	(405)	257,711	256,948	-	(763)	99.7%	99.5%	-	-	-	-
Other revenue	13,771	1,174	14,945	11,770	-	(3,175)	78.8%	85.5%	-	-	-	-
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	424,952	34,429	459,381	450,291		(9,089)	98.0%	106.0%				-
Expenditure By Type												
Employee related costs	234,208	13,557	247,765	221,174	-	(26,591)	89.3%	94.4%	-	-	-	-
Remuneration of councillors	13,825	48	13,873	13,607	-	(266)	98.1%	98.4%	-	-	-	-
Debt impairment	500	(398)	102	102	-	(0)	100.0%	20.4%	-	-	-	-
Depreciation & asset impairment	9,561	37	9,597	9,267	-	(330)	96.6%	96.9%	-	-	-	-
Finance charges	2,790	(2,790)	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	19,455	18,642	38,098	36,915	-	(1,183)	96.9%	189.7%	-	-	-	-
Contracted services	58,249	(2,923)	55,326	40,641	-	(14,684)	73.5%	69.8%	-	-	-	-
Transfers and grants	17,400	(1,289)	15,751	12,400	-	(3,351)	78.7%	72.8%	-	-	-	-
Other expenditure	71,440	5,671	77,112	64,705	-	(12,406)	83.9%	90.6%	-	-	-	-
Loss on disposal of PPE	12	1,746	1,758	1,730	-	(28)	98.4%	14415.0%	-	-	-	-
Total Expenditure	427,080	32,301	459,381	400,541	-	(58,839)	87.2%	93.8%	-	-	-	-
Surplus/(Deficit)	(2,128)	2,128	-	49,750		49,750	#DIV/0!	-2338.0%				-
Transfers recognised - capital	2,128	(5)	2,123	817	-	(1,307)	38.5%	38.4%	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
	-	2,123	2,123	50,567		48,444	2381.5%	#DIV/0!				-
Surplus/(Deficit) after capital transfers & contributions												
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation												
Attributable to minorities	-	2,123	2,123	50,567		48,444	2381.5%	#DIV/0!				-
Surplus/(Deficit) attributable to municipality												
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	2,123	2,123	50,567		48,444	2381.5%	#DIV/0!				-

DC2 Cape Winelands DM - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2022/23								2021/22			
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COMM AND DEV	20,250	(12,964)	7,286	6,952	-	(334)	95%	34%	-	-	-	-
Vote 3 - ENGINEERING	66,305	(60,475)	5,830	3,123	-	(2,707)	54%	5%	-	-	-	-
Vote 4 - RURAL AND SOCIAL	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - OFFICE OF THE MM	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ROADS AGENCY	150	(150)	-	-	-	-	-	-	-	-	-	-
Vote 9 - TASK	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - HEALTH AGENCY	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure	86,705	(73,589)	13,116	10,076	-	(3,041)	77%	12%	-	-	-	-
Single-year expenditure												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COMM AND DEV	16,547	(9,532)	7,015	5,275	-	(1,740)	75%	32%	-	-	-	-
Vote 3 - ENGINEERING	9,975	(1,565)	8,410	3,272	-	(5,138)	39%	33%	-	-	-	-
Vote 4 - RURAL AND SOCIAL	5	-	6	5	-	(1)	83%	100%	-	-	-	-
Vote 5 - OFFICE OF THE MM	200	38	238	163	-	(74)	69%	82%	-	-	-	-
Vote 6 - FINANCIAL SERVICES	-	12	12	12	-	-	100%	#DIV/0!	-	-	-	-
Vote 7 - CORPORATE SERVICES	8,774	(7,656)	1,118	1,117	-	(1)	100%	13%	-	-	-	-
Vote 8 - ROADS AGENCY	1,978	(805)	1,173	817	-	(357)	70%	41%	-	-	-	-
Vote 9 - TASK	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - HEALTH AGENCY	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure	37,478	(19,508)	17,971	10,661	-	(7,311)	59%	28%	-	-	-	-
Total Capital Expenditure - Vote	124,183	(93,097)	31,087	20,736	-	(10,351)	67%	17%	-	-	-	-
Capital Expenditure - Standard												
Governance and administration	14,904	(8,418)	6,486	4,116	-	(2,370)	63%	28%	-	-	-	-
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	12	12	12	-	-	100%	#DIV/0!	-	-	-	-
Corporate services	14,904	(8,430)	6,474	4,104	-	(2,370)	63%	28%	-	-	-	-
Community and public safety	36,802	(22,495)	14,307	12,233	-	(2,074)	86%	33%	-	-	-	-
Community and social services	11,850	(10,813)	1,037	5	-	(1,032)	0%	0%	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	24,772	(11,686)	13,086	12,043	-	(1,043)	92%	49%	-	-	-	-
Housing	180	5	185	185	-	(0)	100%	103%	-	-	-	-
Economic and environmental services	72,478	(62,183)	10,295	4,387	-	(5,907)	43%	6%	-	-	-	-
Planning and development	70,350	(61,229)	9,121	3,571	-	(5,551)	39%	5%	-	-	-	-
Road transport	2,128	(955)	1,173	817	-	(357)	70%	38%	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	124,183	(93,096)	31,087	20,736	-	(10,351)	67%	17%	-	-	-	-
Funded by:												
National Government	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	2,128	(5)	2,123	817	-	(1,307)	38%	38%	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	2,128	(5)	2,123	817	-	(1,307)	38%	38%	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	64,000	(64,000)	-	-	-	-	-	-	-	-	-	-
Internally generated funds	58,056	(29,092)	28,964	19,919	-	(9,045)	69%	34%	-	-	-	-
Total Capital Funding	124,183	(93,096)	31,087	20,736	-	(10,351)	67%	17%	-	-	-	-

DC2 Cape Winelands DM - Reconciliation of Table A7 Budgeted Cash Flows

Description	2022/23							2021/22
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	180,747	13,802	194,549	113,815	(80,734)	58.5%	63.0%	
Government - operating	258,116	(1,653)	256,463	256,507	44	100.0%	99.4%	
Government - capital	2,128	(5)	2,123	950	(1,173)	44.7%	44.6%	
Interest	49,000	13,000	62,000	50,460	(11,540)	81.4%	103.0%	
Dividends	-	-	-	-	-	-	-	
Payments								
Suppliers and employees	(456,022)	(30,644)	(486,666)	(365,559)	121,107	75.1%	80.2%	
Finance charges	(2,790)	2,790	-	-	-	-	-	
Transfers and Grants	(17,040)	1,506	(15,533)	(12,400)	3,133	79.8%	72.8%	
NET CASH FROM/(USED) OPERATING ACTIVITIES	14,139	(1,204)	12,935	43,773	30,838	338.4%	309.6%	-
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	92	92	#DIV/0!	#DIV/0!	
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	(178,000)	(178,000)	#DIV/0!	#DIV/0!	
Payments								
Capital assets	(124,183)	93,096	(31,087)	(12,652)	18,435	40.7%	10.2%	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(124,183)	93,096	(31,087)	(190,560)	(159,472)	613.0%	153.5%	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	
Borrowing long term/refinancing	109,800	(109,800)	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	(20)	(20)	-	20	-	-	
Payments								
Repayment of borrowing	(4,857)	4,857	-	-	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	104,943	(104,963)	(20)	-	20	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(5,102)	(13,070)	(18,172)	(146,787)				-
Cash/cash equivalents at the year begin:	785,769	4,560	790,329	790,329				
Cash/cash equivalents at the year end:	780,667	(8,511)	772,157	643,542	(128,615)	83.3%	82.4%	



2022/2023 ANNUAL REPORT

CHAPTER 8 – AUDIT COMMITTEE REPORT

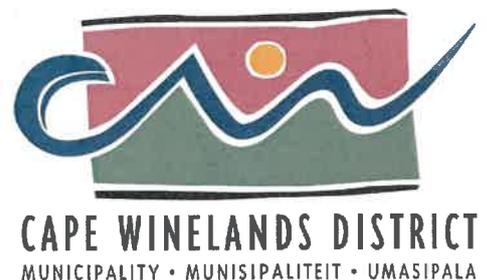
Refer to attached report.

Audit and Performance Committee Annual Report



Cape Winelands District Municipality

For the Financial Year
Ended 30 June 2023



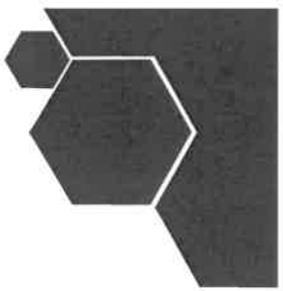


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1. Introduction

We are pleased to present our Audit and Performance Committee Annual Report for the financial year ended 30 June 2023. The Audit and Performance Committee has complied with its responsibilities in terms of section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and applicable Treasury Regulations.

The committee consists of four independent members who are appropriately qualified, financially literate and acquainted with the risk management and performance management disciplines.

The Audit and Performance Committee meets at least four times per annum in accordance with its terms of reference.

The committee held seven (7) meetings during the financial year under review.

Dates of Audit and Performance Committee meetings:

- 25 July 2022 (Q4 2021/2022 FY)
- 26 August 2022 – Special meeting (Draft AFS and APR)
- 02 November 2022 (Q1)
- 12 December 2022 – Special meeting (AG - Management Report and AR)
- 01 February 2023 (Q2)
- 03 May 2023 (Q3)
- 23 June 2023 – Special meeting (IA 3YR Rolling Plan and AOP)

The Audit and Performance Committee is constituted as follows:

Name of member	Meetings attended	Comments
Mr. M Grobler (Chairperson) – external	7 out of 7	Chairperson position with effect from 01 July 2022.
Mr. P le Roux – external	7 out of 7	
Mr. O Valley – external	7 out of 7	
Mr. J Carstens – external	4 out of 4	Term commenced from 01 November 2022.



Other regular invitees included the following:

- Municipal Manager
- Chief Financial Officer
- Executive Director: Community Development and Planning Services
- Executive Director: Technical Services
- Director: IDP, Performance and Risk Management
- Chief Audit Executive
- Deputy Director: ICT
- Deputy Director: Performance and Risk Management
- Auditor-General representatives
- Provincial Treasury

2. Audit Committee responsibility

The Audit and Performance Committee has adopted appropriate formal terms of reference as its Audit Committee Charter and has regulated its affairs in compliance with this charter.

The charter is regularly updated and complies with principles of good governance and with the requirements in terms of section 166 of the MFMA. In the conduct of its duties, the Audit and Performance Committee has performed the following activities:

- The quality and integrity of the financial reporting process
- The system of internal control
- The organisation’s process for monitoring compliance with laws and regulations and the code of conduct
- Internal and external audit functions
- Performance management
- The risk management and governance process
- The Audit Committee also serves as the Performance Committee of the Cape Winelands District Municipality and in that respect evaluates and approves the quarterly reports from Internal Audit on performance as prescribed by legislation
- The Head of Internal Audit attended and reported at all quarterly meetings of the Audit and Performance Committee.



3. Report on the operations of the Audit and Performance Committee

During the financial year ended 30 June 2023, the Audit and Performance Committee convened seven times to discharge its statutory responsibilities, which include the following – this is to be regarded as an overview and not an exhaustive list:

3.1 Evaluation of the financial statements

The external audit was conducted by the Auditor-General who presented its Audit Strategy and Scope during the meeting on 24 August 2023.

The Audit and Performance Committee reviewed:

- the draft annual financial statements;
- the appropriateness of accounting policies and practices; and
- significant adjustments resulting from the audit.

The draft annual financial statements for the year ended 30 June 2023 were reviewed and scrutinised in detail and served as input at the Special Audit and Performance Committee meeting held on 24 August 2023.

3.2 Annual Report

In addition to the annual financial statements, the draft Annual Report for the year ended 30 June 2023 was reviewed by the Audit and Performance Committee at the Special Audit and Performance Committee meeting held on 24 August 2023.

The 2022/23 draft Annual Performance Report was submitted for review to the Special Audit and Performance Committee meeting on 24 August 2023.

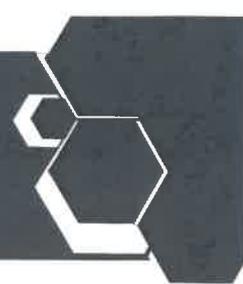
3.3 Effectiveness of the Internal Audit Unit

The Head of Internal Audit has a responsibility to the Audit and Performance Committee and has direct access to members of the committee as well as the chairperson of the committee. The Head of Internal Audit reports functionally to the chairperson of the Audit and Performance Committee and administratively to the Municipal Manager.



The committee:

- reviewed and approved the internal audit annual risk-based audit plan for the 2022/2023 financial year;
- evaluated the independence, effectiveness and performance of the internal audit function and that the internal audit function has the necessary resources, standing and authority in the organisation to discharge its duties, which were found to be satisfactory;
- assessed the adequacy and sufficiency of available internal audit resources and found these to be limited; more resources would be required to evaluate all of the high-risk areas identified in the operational and strategic risk registers, the municipality’s ICT and general controls, external audit and the assurance universe;
- reviewed and considered the quarterly reports by the Head of Internal Audit in respect of the progress made on the annual audit plan and of findings resulting from internal audit engagements;
- reviewed issues raised by Internal Audit and the adequacy of corrective action taken by management in response thereto; and
- reviewed fifteen (15) audit reports, namely:
 - Assurance Review: Quarter 4 Review of Performance Results
 - Assurance Review: Annual performance report
 - Consulting Review: Protection of Personal Information Act (POPIA) compliance
 - Quarter 1 Review of Performance Information
 - Assurance Review: Human Resources - Overtime
 - Consulting Review: Risk Management
 - Compliance Review - (MSA) Performance Management System
 - Quarter 2 Review of Performance Information
 - Quarter 3 Review of Performance Information
 - Compliance Review: Municipal Finance Management Act (MFMA)
 - Compliance Review: Division of Revenue Act (DoRA)
 - Compliance Review: Governance - Councillors Declaration Forms
 - Assurance Review: Asset Management



- Compliance Review: Occupational Health and Safety
- Annual year-end stock take: Stores 2022/2023 FY (for AG)

The adjusted planned audits for 2022/2023 were achieved.

In this regard the Audit and Performance Committee wishes to express its appreciation to the Internal Audit Division.

3.4 Performance management

The Audit and Performance Committee reviewed the quarterly SDBIP reports for 2022/2023, which were submitted to the committee as part of the quarterly management report.

The Audit and Performance Committee is satisfied that the municipality is in compliance with all statutory requirements and performance management best practices and standards.

- The Audit and Performance Committee reviewed and is satisfied that there is alignment of the Integrated Development Plan, the budget, the Service Delivery and Budget Implementation Plan and performance agreements.
- Performance indicators and targets relating to strategic objectives are specific, measurable, achievable and relevant.
- In total, five quarterly Performance Management System reports were submitted to the Audit and Performance Committee for review during the financial year.
- Issues raised by Internal Audit and the adequacy of corrective action taken by management in response thereto were reviewed.
- The chairperson delegated a member of the Audit and Performance Committee to attend the annual performance evaluations of the section 56/57 appointments and was satisfied with the course of events.

3.5 Risk management

The Audit and Performance Committee is responsible for overseeing the nature and extent of the significant risks the Cape Winelands District Municipality has to manage in order to achieve its strategic objectives.



The Audit and Performance Committee is well informed and satisfied with internal audit reports regarding the status of risk management in the Cape Winelands District Municipality.

Due to a loss of ERM resources (resignation of DD Performance and Risk) the minutes and report of the Fraud and Risk Management Committee (FARMCO) were not presented to the Audit and Performance Committee on a quarterly basis. Risk registers have not been formally updated.

A member of the Audit and Performance Committee serves as an independent advisory member on the Fraud and Risk Management Committee.

The committee:

- reviewed and ensured that the Internal Audit Plan is aligned with the presented risk profile of the CWDM;
- reviewed the Fraud and Risk Management Committee’s reports;
- reviewed the Fraud and Risk Committee’s charter that was approved by Council;
- fulfilled an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting, and information technology risk as it relates to financial reporting; and
- reviewed the amended Risk and Fraud Policy prior to submission for approval to Council.

The Audit and Performance Committee is concerned about the effectiveness of the risk management processes and systems implemented by the Fraud and Risk Management Committee.

3.6 Internal control

The Audit and Performance Committee provided an objective overview of the operational effectiveness of the Cape Winelands District Municipality’s systems of internal control.



Quarterly oversight reviews were performed of the management reports (section 52) tabled by the Finance Department and presented by the CFO. The accuracy, completeness and timeliness of these reports is an indication that there are no deficiencies in capacity, resources or controls within the Finance Department.

From the various reports of the Internal Audit Unit, the report on the annual financial statements by the Auditor-General and the Auditor-General’s management report, it was noted that no matters were reported that indicated any material deficiencies in the system of internal control or any deviations there from.

3.7 Effectiveness of governance

The Audit and Performance Committee reviewed the performance report of the CWDM and is satisfied with the effectiveness of governance based on the performance assessments of senior managers during the year.

3.8 IT governance

As an independent advisory body, the Audit and Performance Committee is responsible for advising on information and communication technology matters and is closely monitoring the progress and implementation of the Information and Communication Technology Framework. This Framework includes matters related to IT Governance.

The Audit and Performance Committee also reviewed the ICT Committee’s quarterly reports.

The ICT Manager reports to the Audit and Performance Committee on a quarterly basis regarding the progress made on the Auditor-General and Internal Audit findings.



3.9 Combined assurance framework

Formal engagements occurred between the Audit and Performance Committee, management, Council, Internal Audit and the Auditor-General during the year. These engagements continue to be regularised and developed in order to strengthen and enhance the combined assurance model of the municipality.

The combined assurance framework will be developed and fully rolled out during the 2023/2024 financial year. The draft combined assurance risk matrix has been compiled and is in the process of being populated.

4. Auditor-General

The Audit and Performance Committee met with the Auditor-General on 24 August 2023 to discuss the engagement letter, audit plan, strategy and presentation of the draft management and audit reports for the 2022/2023 financial year.

The Audit and Performance Committee also provides oversight over the Auditor-General’s action plan.

The Audit and Performance Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited Annual Financial Statements and the reported predetermined objectives should be accepted and read together with the report of the Auditor-General.

The Audit and Performance Committee will monitor the progress and implementation of the recommendations made by the Auditor-General to management.



5. Audit and Performance Committee Recommendations to Council and Management

It was recommended that there be a split of responsibility between the Risk Office and Internal Audit with the Risk office having the responsibility for the updating of the municipality’s risk registers, combined assurance strategy and implementation plan, and internal audit being responsible for the compilation and update of the combined assurance matrix which aligns with the assurance universe and municipal risks.

The Audit and Performance Committee quarterly reports to Council was presented and adopted at the following Council meeting dates:

- Quarter 1 - 01/12/2022 – Agenda Item C.14.2
- Quarter 2 - 23/03/2023 – Agenda Item C.14.3
- Quarter 3 - 29/06/2023 – Agenda Item C.15.1
- Quarter 4 - 30/10/2023 – Agenda Item C.14.2

6. Conclusion

The Audit and Performance Committee would like to thank the Cape Winelands District Municipality for the cooperation and dedication shown during a challenging and unprecedented year.

The Audit and Performance Committee hereby congratulates the Council on their 10th clean audit.

On behalf of the Audit and Performance Committee.

M Grobler

Chairperson: Audit and Performance Committee

24 January 2024



2022/2023 ANNUAL REPORT

CHAPTER 9 – OVERSIGHT REPORT

Refer to attached report.



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

MPAC OVERSIGHT REPORT

2022/2023 FINANCIAL YEAR

(01 July 2022 to 30 June 2023)

1. OBJECTIVE

To submit to Council, in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), the Oversight Report on the Annual Report, covering the Cape Winelands District Municipality (CWDM) in respect of the 2022/2023 financial year.

2. BACKGROUND

The 2022/2023 draft Annual Report was tabled in Council on 25 January 2024, reporting on the Cape Winelands District Municipality's performance for the period from 01 July 2022 until 30 June 2023. This report was sent out for public comment from 26 January 2024.

By doing so, Council complied with Section 133 of the MFMA which stipulates that the Executive Mayor must table the Annual Report in Council within 7 months after the end of the financial year, i.e. by the end of January 2024.

The Council of the Cape Winelands District Municipality (CWDM) is furthermore required to engage with and finalise the Annual Report within 9 months after the end of the financial year, which is before 31 March 2024.

The process for the finalisation and approval of the 2022/2023 Annual Report is set out in the table below:

Activity Description	Provision	Target
Preparation of annual financial statements of the municipality and submission to the Auditor-General	MFMA Section 122(1)(2)	31 August 2023
Receipt of final audit report from Auditor-General	MFMA Section 126(3)(b)	30 November 2023
Tabling of Draft Annual Report in Council by Executive Mayor	MFMA Section 127(2)	25 January 2024
Allowing for comment (written submission) by the community and relevant state organs	MFMA Section 127(5)(a) & (b)	26 January - 29 February 2024 at 12h00
Allowing verbal comment and oversight on annual report by the Oversight Committee	MFMA Section 130 (5)(a) & (b)	04 March 2024
Consideration and adoption of Annual Report and Oversight Report by Council	MFMA Section 129(1)	20 March 2024
Submission of Annual Report and Oversight Report to AG, Provincial Treasury and MEC: Local Government	MFMA Section 129(2)(b)	26 March 2024
Communication of final Annual Report / Oversight Report (Website, hard copies and other mediums)	MFMA Section 129(3)	26 March 2024

3. APPOINTMENT AND MANDATE OF THE OVERSIGHT COMMITTEE

MFMA Circular 32 of 2006 prescribes the Oversight Process and the establishment of an Oversight Committee. The Municipal Council appointed its Oversight Committee in terms of Section 79 of the Local Government: Municipal Structures Act, Act 117 of 1998 at an urgent Council meeting on 27 January 2022 as follows:

1. That the Cape Winelands District Municipality Oversight Committee is constituted as follows and is a multi-party committee:

No.	Name of committee member	Designation	Party
1.	Pedro, A	Councillor	GOOD
2.	De Villiers, P. T (Secundi) (2023-01-13 – 2023-05-23)	Councillor	GOOD
3.	Manuel, C (Secundi)	Councillor	DA
4.	Jacobs, F	Councillor	DA
5.	Sauerman, N. D (Secundi)	Councillor	DA
6.	Janse, D. B	Councillor	DA
7.	Daniels, P (Secundi)	Councillor	DA
8.	Kriel, J	Councillor	DA
9.	Smit, M (Secundi)	Councillor	DA
10.	Mpulanyana, T. R	Councillor	ANC
11.	Richards, A. M (Secundi)	Councillor	ANC
12.	Nel, D. W	Councillor (Chairperson)	VF PLUS
13.	Du Plessis, A. J (Secundi)	Councillor	VF PLUS
14.	Fredericks, G. J	Councillor	DA
15.	Yabo, M. H	Councillor	ANC
16.	Nalumango, R. S (Secundi)	Councillor	ANC
17.	Goedeman, S	Councillor	DA
18.	Smit, J (Secundi)	Councillor	DA

2. The following be considered as the primary Terms of Reference for the MPAC in addition to other relevant functions and duties set out in the "Guideline for Establishment of Municipal Public Accounts Committees" as well as National Treasury's Circular 32 of 15 March 2006 titled "The Oversight Report", i.e. the MPAC/Oversight Committee –
 - a. Shall not be responsible for policy formulation;
 - b. May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer;
 - c. Shall have permanent referral of documents as they become available relating to:
 - i. In-year reports of the CWDM;
 - ii. Financial statements of the CWDM as part of its oversight process;
 - iii. Audit opinion, other reports and recommendations from the Audit Committee;
 - iv. Information relating to compliance in terms of sections 128 and 133 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA);
 - v. Information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it;
 - vi. Any other audit report of the CWDM; and
 - vii. Performance information of the CWDM.
 - d. Shall consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report;

- e. In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports;
- f. Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and reports and evaluate the extent to which the Audit Committee's and the Audit General's recommendations have been implemented;
- g. Shall promote good governance, transparency and accountability on the use of municipal resources;
- h. Shall recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the CWDM or the Audit Committee;
- i. Shall request the support of both the internal and external auditors in an advisory capacity when necessary;
- j. Shall conduct investigations into unauthorized, irregular and/or fruitless and wasteful expenditure in accordance with section 32(2)(a)(ii) of the MFMA and regulation 74 of the Municipal Budget and Reporting Regulations;
- k. Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council.

4. MPAC ACTIVITIES

The following activities were undertaken by the MPAC during the period 01 July 2022 to 30 June 2023:

No.	Type of Activity	Date of Activity	Venue
1	Quarterly meeting – 2021/2022 Q4	Tuesday 26 July 2022	Stellenbosch
2	Quarterly meeting – 2022/2023 Q1	Tuesday 25 October 2022	Paarl
3	Project site visit (Clearing of invasive alien plants)	Tuesday 25 October 2022	Paarl
4	Quarterly meeting – 2022/2023 Q2	Tuesday 24 January 2023	Paarl
5	Oversight meeting – 2021/2022 Report	Tuesday 14 March 2023	Stellenbosch
6	Quarterly meeting – 2022/2023 Q3	Friday 21 April 2023	Worcester

5. OVERSIGHT REPORT

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

The Oversight Report is considered to be a report of the MPAC. After tabling the 2022/2023 draft Annual Report on 25 January 2024, in line with Section 127(5) of the MFMA, Cape Winelands District Municipality (CWDM) allowed for public comments regarding the 2022/2023 draft Annual Report from 26 January 2024 until 29 February 2024 (12h00).

The draft Annual Report was made available on the municipal website, the municipality's social media platforms and also at the six Municipal Offices (Stellenbosch, Worcester, Paarl, Ceres, Montagu and Robertson). In addition, the draft Annual Report was made available to the following stakeholders:

- The Office of the Auditor-General
- The Provincial Treasury as well as National Treasury
- The Provincial Department of Local Government as well as the MEC for Local Government

The Accounting Officer (Municipal Manager) of the Cape Winelands District Municipality attended the Council meeting on 25 January 2024 where the draft Annual Report was tabled. Furthermore, the Acting Accounting Officer (Municipal Manager) attended the MPAC meeting on 04 March 2024 where the Oversight Report was discussed for recommendation to Council.

6. KEY COMMENTS AND RESPONSES

Circular 32 of the National Treasury recommends that the summary of key issues raised by the community, Auditor-General and other spheres of government, be detailed in the Oversight Report. In addition, the Circular proposed that responses to questions raised in written representations be captured in the Oversight Report.

Responses were only received from the Auditor-General of South Africa and the Provincial Treasury. These comments were reviewed, evaluated and the draft 2022/2023 Annual Report was updated accordingly (where applicable).

No comments were received at any of the CWDM offices nor the website and other social media platforms.

In addition to the above-mentioned, the MPAC would like to draw attention to the following points:

1. Improvement of livelihood of citizens– The previous and current performance and underachievement in respect of especially the projects relating to provision of water and sanitation as well as solar geysers on farms are a concern to MPAC. Reasons therefor given by the administration are that subsidy amounts are possibly too low and also the financial position of farmers not being able to meet their obligations where subsidies are granted. This poses the question whether these projects should be continued with and MPAC therefore urges the Administration to undertake a viability study to determine the continuation thereof or to find possible alternatives for the next financial year and onwards.
2. Sport facilities – The MPAC is concerned about the contractual obligations of the relevant parties and other legal aspects that accompany projects where buildings and infrastructure are erected on private property. MPAC is of the opinion that these need to be clearly defined and described in the contracts or agreements between the parties involved.
3. Landfill site – The MPAC requests that a site visit be arranged for MPAC members to visit the Karwyderskraal Landfill site to acquaint themselves with the management and financial challenges experienced by them.
The necessity for a By-law relating to the administration and operation of the landfill site should also be clarified with Province.

7. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The 2022/2023 Annual Report and Oversight Report have been prepared in compliance with the provisions of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and conform to the guidelines in Circular 32 issued by National Treasury.

8. COMMUNICATIONS IMPLICATIONS

The full text of the 2022/2023 Annual Report and Oversight Report will be distributed to the MEC: Local Government, Provincial Treasury, the Auditor-General and Provincial Legislature, amongst other relevant stakeholders. The full text will also be published on Cape Winelands District Municipality's website.

9. RECOMMENDATION: That –

- (a) Council, having considered the 2022/2023 Annual Report of the Cape Winelands District Municipality (CWDM), adopts the Oversight Report in terms of section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA);
- (b) The minutes of the meetings where the Annual Report was discussed in the presence of the Accounting Officer, be submitted to the Auditor-General, the Provincial Treasury and the Western Cape Department of Local Government, in terms of Section 129(2) of the MFMA;
- (c) The 2022/2023 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA.
- (d) The 2022/2023 Oversight Report of Cape Winelands District Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.

10. CONCLUSION

The Committee unanimously recommends that the 2022/2023 Annual Report of the Cape Winelands District Municipality (CWDM) be approved by Council without reservations, in terms of section 129 of the MFMA.

Furthermore, I would like to commend the Municipality on its performance, especially the achievement of yet another "clean audit". I would like to thank the members of the Oversight Committee and all officials who participated in the 2022/2023 Oversight Process for their time and cooperation. The process was successful and enabled the Committee to identify areas that will enable the Municipality to maintain its "clean audit" and to improve on areas identified.

I am of the opinion that the 2022/2023 Annual Report accurately reflects the performance of the Municipality for the year under review and recommend that the Council approve the 2022/2023 Annual Report as well as the relevant Oversight Report, without reservations.

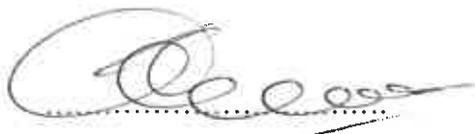


COUNCILLOR D.W. NEL

MPAC CHAIRPERSON

08 March 2024

I hereby confirm that Council has approved the Annual Report without reservations, as per Council resolution C.15.2 on 20 March 2024.



COUNCILLOR D.W. NEL

MPAC CHAIRPERSON

20 March 2024

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>'full and regular'</i> reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>'what we do'</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual report	A report to be prepared and submitted annually based on the regulations set out in section 121 of the MFMA. Such report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved budget	An approved budget means an annual budget that has been approved by Council and includes such annual budget as revised by an adjustment budget in terms of section 28 of the MFMA.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger public health and safety of the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial statements	Includes at least a statement of financial position, statement of financial performance, cash flow statement, notes to these statements and any other statements that may be prescribed.
General key performance indicators	After consultation with MECs for local government, the minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are <i>'what we use to do the work'</i> . They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National key performance areas	Service delivery and infrastructure; Economic development; Municipal transformation and institutional development; Financial viability and management; and Good governance and community participation.
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate

	clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are <i>‘what we wish to achieve’</i> .
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as <i>‘what we produce or deliver’</i> . An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.
Performance indicator	Indicators should be specified to measure performance in relation to input, activities, output, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In the employee performance management and development system, performance standards are divided into indicators and the time factor.
Performance targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality’s delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a ‘vote’ as:</p> <ul style="list-style-type: none"> (a) <i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> (b) <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i>



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APPENDICES

CAPE WINELANDS DISTRICT MUNICIPALITY

2022/2023



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APPENDIX A – COUNCILLORS’ COMMITTEE AND COUNCIL ATTENDANCE

01 JULY 2022 – 30 JUNE 2023

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended
Cllr EG Arendse (Resigned 12-12-2022)	PT	Municipal Public Accounts Committee	GOOD	3
Cllr WM Blom	FT	Whip of Council Ambassador for Persons with Disabilities Rules Committee	DA	10
Cllr MN Bushwana	PT	None	ANC	10
Cllr GJ Carinus	FT	Mayoral Committee	DA	11
Cllr D Carolissen (Appointed 25-05-2023)	PT	None	GOOD	1
Cllr P Daniels	PT	Municipal Public Accounts Committee (Alternate)	DA	10
Cllr PT de Villiers (Appointed 13-01-2023) (Resigned 24-05-2023)	PT	Municipal Public Accounts Committee (Alternate)	GOOD	5
Cllr AJ du Plessis	PT	Rules Committee Paarl Museum Municipal Public Accounts Committee (Alternate)	VF+	11
Ald R Farao	FT	Mayoral Committee	DA	10



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COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended
		Local Labour Forum Training Committee Worcester Museum		
Cllr GJ Fredericks	PT	Municipal Public Accounts Committee	DA	11
Ald S Goedeman	FT	Municipal Public Accounts Committee Local Labour Forum (Alternate)	DA	11
Cllr E Groenewald	FT	Mayoral Committee Training Committee Local Labour Forum	DA	11
Cllr V Hani	PT	Stellenbosch Museum	ANC	8
Cllr F Jacobs	PT	Training Committee (Alternate) Municipal Public Accounts Committee	DA	10
Cllr DB Janse	PT	Municipal Public Accounts Committee Robertson Museum	DA	10
Cllr JJS Januarie	PT	None	ANC	7
Ald DD Joubert (Speaker)	FT	Rules Committee	DA	11
Cllr CO Klaaste	PT	None	ANC	10
Cllr SE Korabie (Appointed 24-03-2023)	PT	None	DA	3
Cllr J Kriel	PT	Municipal Public Accounts Committee	DA	11



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COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended
Ald L Landu (Appointed 12-08-2022) (Resigned 27-2-2023)	PT	None	DA	1
Cllr MS Liebenberg	PT	Rules Committee Oude Kerk Volksmuseum van 't Land van Waveren (Tulbagh)	PA	6
Cllr J Maliti	PT	Local Labour Forum (Alternate)	ANC	10
Cllr C Manuel	PT	Huguenot Memorial Museum (Franschhoek) Municipal Public Accounts Committee (Alternate)	DA	11
Cllr XL Mdemka	FT	Mayoral Committee	DA	11
Ald C Meyer	FT	Mayoral Committee	DA	11
Cllr TR Mpulanyana	PT	Municipal Public Accounts Committee	ANC	9
Cllr RS Nalumango	PT	Municipal Public Accounts Committee (Alternate)	ANC	8
Cllr DW Nel	PT	Municipal Public Accounts Committee	VF+	11
Cllr L Ngwane	PT	Local Labour Forum (Alternate) Rules Committee Togryers Museum (Ceres)	EFF	10
Cllr AJ Pedro	PT	Municipal Public Accounts Committee Rules Committee	GOOD	11
Cllr WC Petersen	FT	Mayoral Committee	DA	11
Cllr N Phatsoane	PT	None	ANC	6



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COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended
Cllr AM Richards	PT	Municipal Public Accounts Committee (Alternate)	ANC	9
Ald M Sampson (Deputy Executive Mayor)	FT	Mayoral Committee	DA	10
Cllr ND Sauerman	PT	Wellington Museum Municipal Public Accounts Committee (Alternate)	DA	10
Cllr J Smit	PT	Municipal Public Accounts Committee (Alternate)	DA	10
Cllr M Smit	PT	Montagu Museum Municipal Public Accounts Committee (Alternate)	DA	11
Cllr R Smuts (Resigned 31-07-2022)	PT	Municipal Public Accounts Committee	DA	1
Cllr JHP Steyn	FT	Mayoral Committee	DA	8
Cllr D Swart	FT	Mayoral Committee	DA	11
Cllr M van Stade	PT	Local Labour Forum	GOOD	11
Ald (Dr) H von Schlicht (Executive Mayor)	FT	Mayoral Committee Annual Performance Evaluation Panel of the MM	DA	10
Cllr CF Wilskut	PT	Rules Committee	BO	5
Cllr MH Yabo	PT	Training Committee (Alternate) Rules Committee Municipal Public Accounts Committee	ANC	9

APPENDIX B – COMMITTEES AND PURPOSES OF COMMITTEES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees	Purpose of Committee
Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	To evaluate the annual performance of the Municipal Manager as well as managers directly accountable to the Municipal Manager.
Rules Committee	To make recommendations to Council regarding matters affecting the procedures and policies of the municipal Council and its Councillors.
Training Committee	To develop the workforce in accordance with the National Skills Development Strategy of national government.
Local Labour Forum	To negotiate and/or consult regarding matters of mutual concern; such matters referred from time to time by Bargaining Council or its divisions; except matters reserved for bargaining in Bargaining Council Divisions.
Audit Committee	<p>Audit Committee is an independent advisory body that must –</p> <ul style="list-style-type: none"> (a) advise the municipal Council, the political office bearers, the Accounting Officer and the management staff of the district municipality on matters relating to – <ul style="list-style-type: none"> (i) internal financial control and internal audits; (ii) risk management; (iii) accounting policies; (iv) the adequacy, reliability and accuracy of financial reporting and information; (v) performance management; (vi) effective governance; (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (viii) performance evaluation; and (ix) any other issues referred to it by the municipality or municipal entity; (b) review the annual financial statements to provide the Council of the district municipality with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (c) respond to the Council on any issues raised by the Auditor-General in the audit report; (d) carry out such investigations into the financial affairs of the district municipality as the Council of the



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COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees	Purpose of Committee
	<p>district municipality may request; and</p> <p>(e) perform such other functions as may be prescribed.</p>
Municipal Public Accounts Committee (MPAC)	<p>The primary Terms of Reference of the MPAC, in addition to other relevant functions, are as follows:</p> <p>(a) Shall not be responsible for policy formulation;</p> <p>(b) May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer;</p> <p>(c) Shall have permanent referral of documents as they become available relating to:</p> <ul style="list-style-type: none"> (i) in-year reports of the CWDM; (ii) financial statements of the CWDM as part of its oversight process; (iii) audit opinion, other reports and recommendations from the Audit Committee; (iv) information relating to compliance in terms of sections 128 and 133 of the MFMA; (v) information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it; (vi) any other audit report of the CWDM; and (vii) performance information of the CWDM. <p>(d) Shall consider and evaluate the content of the Annual Report and make recommendations to Council when adopting an oversight report on the Annual Report;</p> <p>(e) In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports;</p> <p>(f) Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and reports and evaluate the extent to which the Audit Committee and the Auditor-General's recommendations have been implemented;</p> <p>(g) Shall promote good governance, transparency and accountability on the use of municipal resources;</p> <p>(h) Shall recommend or undertake any investigation in its area of responsibility after reviewing any investigation report already undertaken by the CWDM or the Audit Committee;</p> <p>(i) Shall request the support of both the internal and external auditors in an advisory capacity when necessary;</p> <p>(j) Shall conduct investigations into unauthorised, irregular and/or fruitless and wasteful expenditure in accordance with section 32(2)(a)(ii) of the MFMA and Regulation 74 of the Municipal Budget and Reporting Regulations, 2008;</p> <p>(k) Shall perform any other functions within its area of responsibility assigned to it through a resolution of</p>



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COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees	Purpose of Committee
	Council.

APPENDIX C – SECOND AND/OR THIRD-TIER ADMINISTRATIVE STRUCTURE

SECOND AND/OR THIRD-TIER STRUCTURE AS AT 30 JUNE 2023		
Directorate	Position	Name
Office of the Municipal Manager	Director: IDP, Performance and Risk Management	BT Daries
	Chief Audit Executive	S Green
	Deputy Director: Communication Services	EJ Otto
	Deputy Director: Legal Services	SS Sanders
Financial and Strategic Support Services	Director: Budget and Treasury Office	MJ Lesch
	Director: Human Resources	GCN Julie
	Director: Support Services	K Smit
Community Development and Planning Services	Deputy Director: Socio-Economic Development	RWB van Wyk
	Deputy Director: Town and Regional Planning	QJ Balie
	Chief Fire Officer	W Josias
	Head of Municipal Disaster Management Centre	SP Minnies
	Deputy Director: Municipal Health Services	RJ Humphreys
Technical Services	Director: Roads	H Maart
	Deputy Director: Project Management	C Swart
	Deputy Director: Facilities Management	TJ Solomon
	Deputy Director: Information Technology	AM Gabier
	Deputy Director: Regulation of Passenger Transport Services	CT Nkasela

APPENDIX D – FUNCTIONS OF A DISTRICT MUNICIPALITY

In terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended:

FUNCTIONS AND POWERS OF MUNICIPALITIES (Sections 83-89)

83 General

- (1) A municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution.
- (2) The functions and powers referred to in subsection (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality, as set out in this chapter.
- (3) A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by –
 - (a) ensuring integrated development planning for the district as a whole;
 - (b) promoting bulk infrastructural development and services for the district as a whole;
 - (c) building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
 - (d) promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

84 Division of functions and powers between district and local municipalities

- (1) A district municipality has the following functions and powers:
 - (a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
 - (b) Potable water supply systems.
 - (c) Bulk supply of electricity, which includes for the purposes of such supply the transmission, distribution and, where applicable, the generation of electricity.
 - (d) Domestic waste water and sewage disposal systems.
 - (e) Solid waste disposal sites, in so far as it relates to –
 - (i) the determination of a waste disposal strategy;
 - (ii) the regulation of waste disposal;
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
 - (f) Municipal roads that form an integral part of a road transport system for the area of the district municipality as a whole.
 - (g) Regulation of passenger transport services.
 - (h) Municipal airports serving the area of the district municipality as a whole.
 - (i) Municipal health services.
 - (j) Firefighting services serving the area of the district municipality as a whole, which include –
 - (i) planning, coordination and regulation of fire services;
 - (ii) specialised firefighting services such as mountain, veld and chemical fire services;
 - (iii) coordination of the standardisation of infrastructure, vehicles, equipment and procedures;
 - (iv) training of fire officers.
 - (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.



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- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
 - (m) Promotion of local tourism for the area of the district municipality,
 - (n) Municipal public works relating to any of the above functions, or any other functions assigned to the district municipality.
 - (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
 - (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.
- (2) A local municipality has the functions and powers referred to in section 83(1), excluding those functions and powers vested in terms of subsection (1) of this section in the district municipality in whose area it falls.

APPENDIX E – DISCLOSURES OF FINANCIAL INTERESTS

COUNCILLORS OF CAPE WINELANDS DISTRICT MUNICIPALITY [01 JULY 2022 – 30 JUNE 2023]

Title	Initials	Surname	Name
Cllr	EG	Arendse (Resigned 12-12-2022)	Edgar Gerades
Ald	WM	Blom	Willem Mathys
Cllr	NM	Bushwana	Nomantu Margaret
Cllr	GJ	Carinus	Gideon Jakobus
Cllr	D	Carolissen (Appointed 25-05-2023)	Doreen
Cllr	P	Daniëls	Patrick
Cllr	PT	De Villiers (Appointed 13-01-2023) (Resigned 24-05-2023)	Peter Thomas
Cllr	AJ	Du Plessis	Adriaan Johannes
Ald	R	Farao	Reginald
Cllr	GJ	Fredericks	Gerrit Jacobus
Ald	S	Goedeman	Samuel
Cllr	E	Groenewald	Esther
Cllr	V	Hani	Vuyiwe
Cllr	F	Jacobs	Frances
Cllr	DB	Janse	Dendeline Babara
Cllr	JJS	Januarie	JJ Johannes Saolomon
Ald	DD	Joubert	Donaven David
Cllr	CO	Klaaste	Claire Olivia
Cllr	SE	Korabie (Appointed 24-03-2023)	Stephen Edmund
Cllr	J	Kriel	Jacques
Ald	L	Landu (Appointed 12-08-2022) (Resigned 27-2-2023)	Linda
Cllr	MS	Liebenberg	Mary-Shiela
Cllr	J	Maliti	Jacqueline

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Title	Initials	Surname	Name
Cllr	C	Manuel	Charles
Cllr	XL	Mdemka	Xoliswa Leonora
Ald	C	Meyer	Clara
Cllr	TR	Mpulanyana	Thuso Reginald
Cllr	RS	Nalumango	Ronalda Schivonne
Cllr	DW	Nel	Daniel Wilhelmus
Cllr	L	Ngwane	Lulama
Cllr	AJ	Pedro	Andre Jonathan
Cllr	WC	Petersen	Wilhelmina Christina
Cllr	N	Phatsoane	Nonzame
Cllr	AM	Richards	Abdul Moutie
Ald	M	Sampson	Margaret
Cllr	ND	Sauerman	Nicolaas Daniel
Cllr	J	Smit	Johannes
Cllr	M	Smit	Margaurite
Ald	R	Smuts (Resigned 31-07-2022)	Rian
Cllr	JHP	Steyn	Jacobus Hermanus Phillipus
Cllr	D	Swart	Dirk
Cllr	M	Van Stade	Marius
Ald (Dr)	H	Von Schlicht	Helena
Cllr	CF	Wilskut	Colin Frederick
Cllr	MH	Yabo	Mzwabantu Hector



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NUMBER OF COUNCILLORS WHO HAVE DECLARED FINANCIAL INTERESTS

SHARES OR STOCKS IN A REGISTERED COMPANY, BONDS, DEBENTURES, LOAN ACCOUNT OR ANY OTHER FORM OF EQUITY IN A REGISTERED COMPANY	4
EQUITY IN AN ENTITY OTHER THAN A REGISTERED COMPANY	1
DIRECTOR OR MEMBER OF A REGISTERED COMPANY	10
PROPRIETOR OR PARTNER IN A BUSINESS OR FINANCIAL INTEREST IN A BUSINESS	4
MEMBER OF ANY CLOSE CORPORATION	4
INTEREST IN OR BENEFICIARY OF A TRUST	4
DIRECTOR / MEMBER OF ANY COMPANY OR ITS COMMITTEE(S)	8
FINANCIAL INTEREST IN ANY BUSINESS UNDERTAKING	4
REMUNERATION FOR ANY WORK OTHER THAN BEING A CAPE WINELANDS DISTRICT MUNICIPALITY COUNCILLOR	16
DIRECTLY OR INDIRECTLY OWN ANY IMMOVABLE PROPERTY OR ANY SHARE IN SUCH PROPERTY	19
OWNER OF AN INCOME GENERATING ASSET	1
CONSULTANT WITH ANY COMPANY OR ENTITY	1
INVESTMENT ON WHICH INTEREST IS RECEIVED	4
PENSION OF ANY KIND	7
BENEFICIARY OF ANY SUBSIDIES, GRANTS OR SPONSORSHIPS BY ANY ORGANISATION	1
GIFTS OR HOSPITALITY RECEIVED FROM AN ENTITY THAT DOES OR INTENDS TO DO BUSINESS WITH THE STATE, OTHER THAN A FAMILY MEMBER	1
VEHICLE OWNERS	34
FINANCIAL LIABILITIES	19
BENEFICIARY OF ALLOCATIONS AND/OR GRANTS FROM THE CAPE WINELANDS DISTRICT MUNICIPALITY IN TERMS OF SECTION 67 OF THE MFMA	1
TRAVEL FOR WHICH THE CAPE WINELANDS DISTRICT MUNICIPALITY DID NOT PAY	2
FAMILY MEMBER OR RELATIVE EMPLOYED BY THE CAPE WINELANDS DISTRICT MUNICIPALITY	1



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OWNING A BUSINESS / DOING BUSINESS WITH THE DISTRICT MUNICIPALITY/INSTITUTION OF THE STATE	2
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Other aspects

None.



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APPENDIX F (I) – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Buildings: Maintenance	- 250.204.55	- 244.000.00	- 1.194.000.00	- 91.696.06	62%	92%
Disaster Management	- 2.352.760.70	- 1.500.000.00	- 1.953.921.00	- 1.099.614.91	27%	44%
Expenditure	- 242.609.222.93	- 248.454.000.00	- 248.454.000.00	- 248.474.263.77	0%	0%
Finance Management	- 347.84	- 800.00	- 800.00	0.10	100%	100%
Financial Management Grant	- 845.067.81	- 1.000.000.00	- 1.000.000.00	- 1.000.000.00	0%	0%
Fire Services	- 182.762.47	- 120.000.00	- 120.000.00	- 138.396.37	-15%	-15%
Human Resources Management	- 440.006.86	- 334.800.00	- 380.800.00	- 418.814.16	-25%	-10%
Idp	- 2.000.000.00	-	- 1.000.000.00	- 1.000.000.00	0%	0%
Municipal Health Services	- 739.565.96	- 653.000.00	- 653.000.00	- 693.504.40	-6%	-6%
Roads: Main Div / Indirect	- 107.026.490.22	- 109.322.020.00	- 129.981.218.00	- 117.807.832.07	-8%	9%
Roads: Plant	- 54.315.20	- 2.127.900.00	- 1.173.365.00	- 816.856.26	62%	30%
Procurement	- 1.052.21	- 50.000.00	- 50.000.00	- 9.786.22	80%	80%
Projects and Housing	- 1.820.720.77	- 5.596.190.00	- 2.493.288.00	- 2.373.507.37	58%	5%
Property Management	- 840.000.00	-	-	-	0%	0%
Public Transport Regulation	- 1.050.134.00	-	- 672.322.00	- 586.717.25	0%	13%
Social Development	- 41.081.09	- 75.000.00	- 151.000.00	- 136.884.55	0%	9%
Sundry Expenditure of the Council	- 52.333.374.82	- 57.551.870.00	- 72.176.154.00	- 76.460.471.56	-33%	-6%
Tourism	-	- 50.000.00	- 50.000.00	-	100%	100%



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APPENDIX F(II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R' 000						
Details	2021/2022	2022/2023			2022/2023 Variance	
	Actual	Approved Budget	Final Budget	Actual	Approved Budget	Final Budget
Property Rates	-	-	-	-	-	-
Property Rates - penalties and collection charges	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-
Rental of facilities and equipment	229.048	240.000	240.000	91.087	62%	62%
Interest earned - external investments	40.295.365	56.000.000	56.000.000	62.998.758	-12%	-12%
Licences and permits	739.566	653.000	653.000	693.504	-	-
Agency services	106.979.783	129.831.218	129.831.218	117.789.784	9%	9%
Transfers recognised - operational	253.668.691	257.711.131	257.711.131	256.947.947	0%	0%
Other income	9.691.259	14.945.154	14.945.154	11.770.407	21%	21%
Total Revenue	411.603.712	459.380.503	459.380.503	450.291.488	2%	2%
(excluding capital transfers and contributions)						
Transfers recognised - capital	983.395	2.127.900	2.123.365	816.856		
Total Revenue	412.587.107	461.508.403	461.503.868	451.108.344		



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APPENDIX G – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG					
R'000					
Details	Original Budget	Final Budget	Actual	% Variance	
				Budget	Final Budget
EPWP incentive	1.369.000	1.469.000	1.469.000	-7%	0
Local Government Financial Management Grant	1.000.000	1.000.000	1.000.000	0%	0%
Integrated Transport Plan	0	672.322	586.717	0%	13%
Rural Roads Asset Management System	2.877.000	72.000	71.925	98%	0%
Community Development Workers	75.000	151.000	136.885	-83%	9%
Joint District & Metro Approach Grant	0	1.000.000	1.000.000	0%	0%
Local Government Internship Grant	0	46.000	37.800	0%	18%
Safety Plan Implementation - WOSA	1.500.000	1.853.921	1.098.097	27%	41%
WESTERN CAPE MUNICIPAL INTERVENTIONS GRANT	0	100.000	1.518	0%	98%
EMERGENCY MUNICIPAL LOAD-SHEDDING RELIEF GRANT	0	950.000	0	0%	100%
Total	6.821.000	7.314.243	5.401.942	21%	26%

APPENDIX 1 – ACTIVITY REPORT BY LEGAL SERVICES, INTERNAL AUDIT AND IDP, PERFORMANCE AND RISK MANAGEMENT

LEGAL SERVICES

For strategic reasons, the Directorate: Legal Services is located within the Office of the Municipal Manager.

Legal Services' main function is to provide an effective and efficient legal support service to Council in order to enable it to deliver on its constitutional mandate and to manage and limit the legal risks of the district municipality.

Legal Services plays a major role in ensuring that the decisions taken by Council and its structures, as well as the Administration, are legally compliant and that legal support is available to the various line departments as and when they require it.



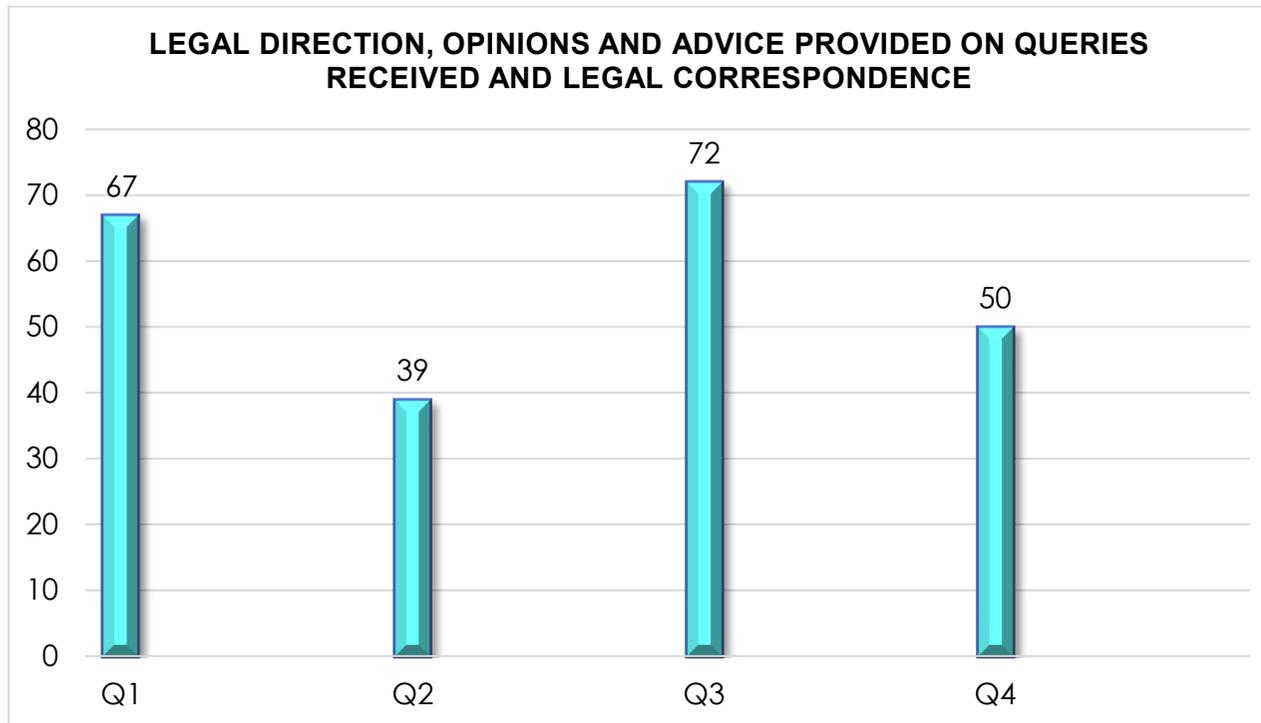
This inevitably decreases the legal risks to which the district municipality is exposed in its decision-making bodies, which ultimately promotes service delivery.



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LEGAL DIRECTION, OPINIONS AND ADVICE PROVIDED ON QUERIES RECEIVED AND LEGAL CORRESPONDENCE GENERALLY REFERS TO WRITTEN COMMUNICATIONS MADE TO A THIRD PARTY, BY, OR ON BEHALF OF, A CLIENT REGARDING A LEGAL CASE OR CONTROVERSY

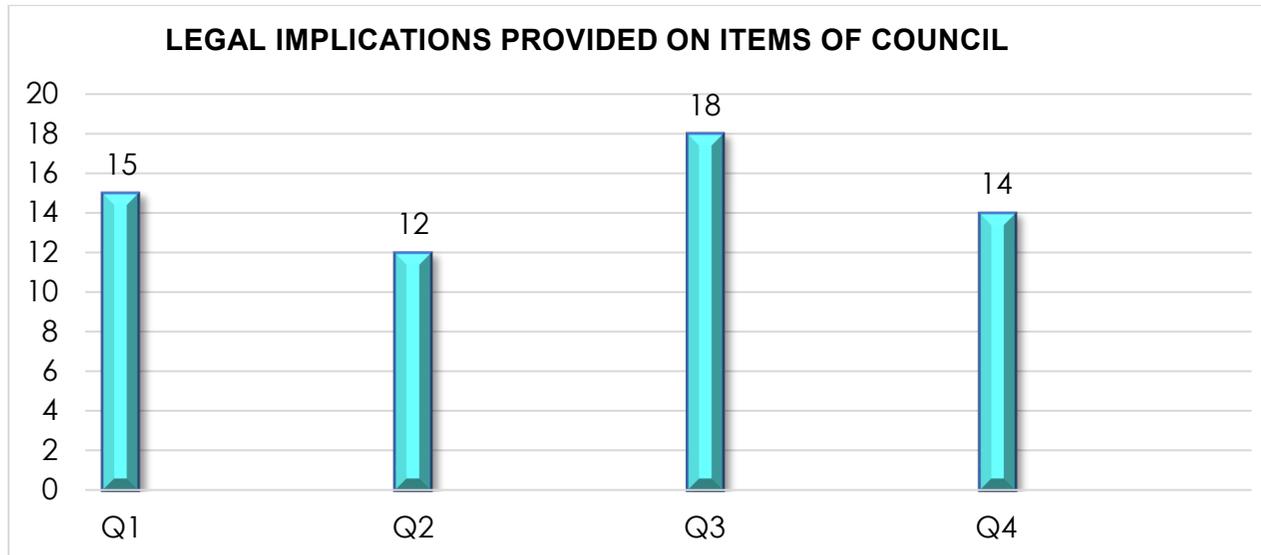
Legal advice/opinion/direction involves analysing and considering a set of facts as it applies to a specific situation and advising a person to take a specific course of action based on the applicable law.



LEGAL IMPLICATIONS PROVIDED ON ITEMS OF COUNCIL MEETINGS, MAYORAL COMMITTEE MEETINGS, LLF AND TRAINING COMMITTEE MEETINGS AND BID ADJUDICATION COMMITTEE MEETINGS

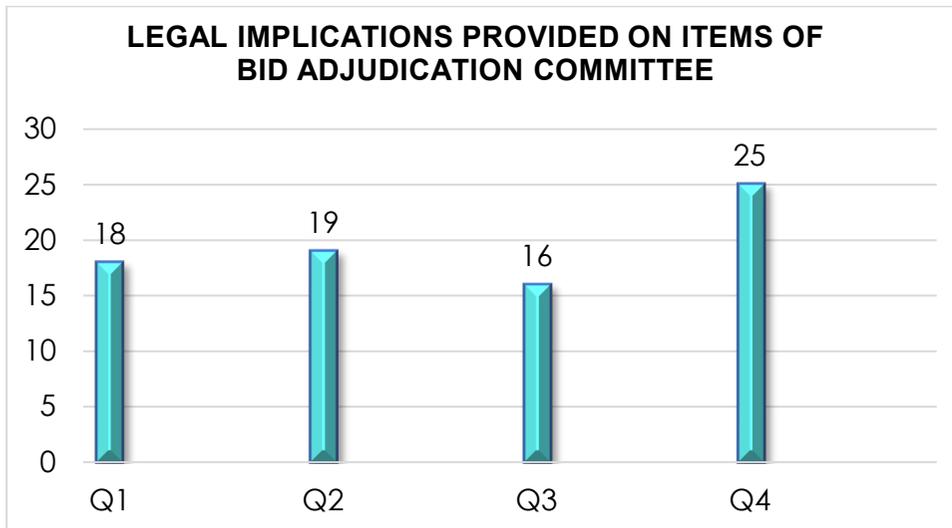
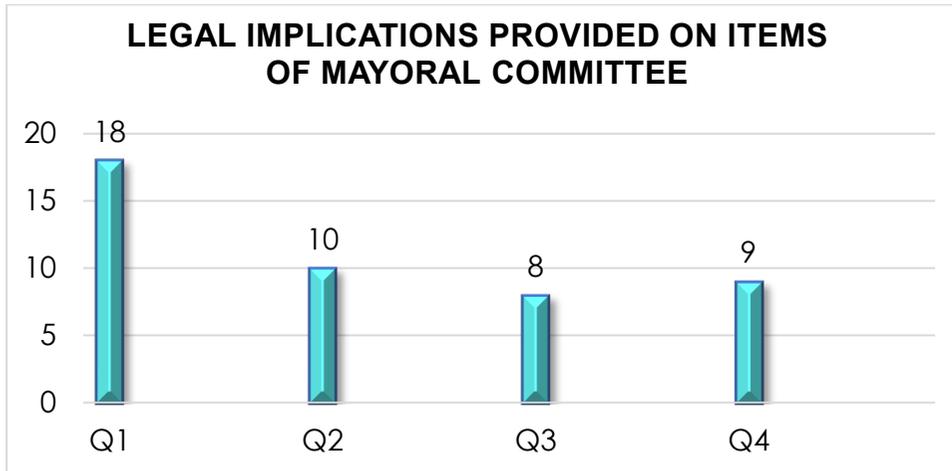
Members of the Municipal Council and its committees have the responsibility to take informed decisions during the decision-making process of a meeting and should therefore be properly informed in order to apply their minds.

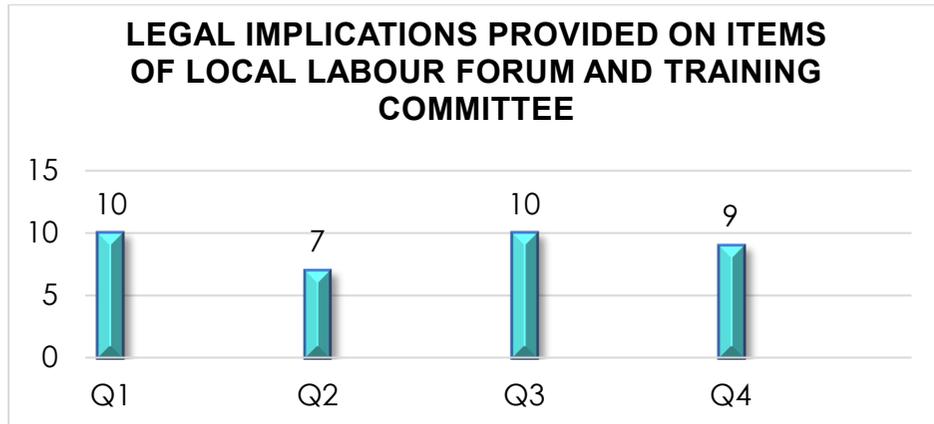
In order to ensure that a valid decision is taken, it is very important to carefully peruse and consider the implications provided on each item that indicate relevant factors that must be taken into account, especially in view of the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000), which states that administrative action means any decision taken by an organ of state when exercising a power in terms of the Constitution of the Republic of South Africa, or exercising a public power or performing a public function in terms of an empowering provision.





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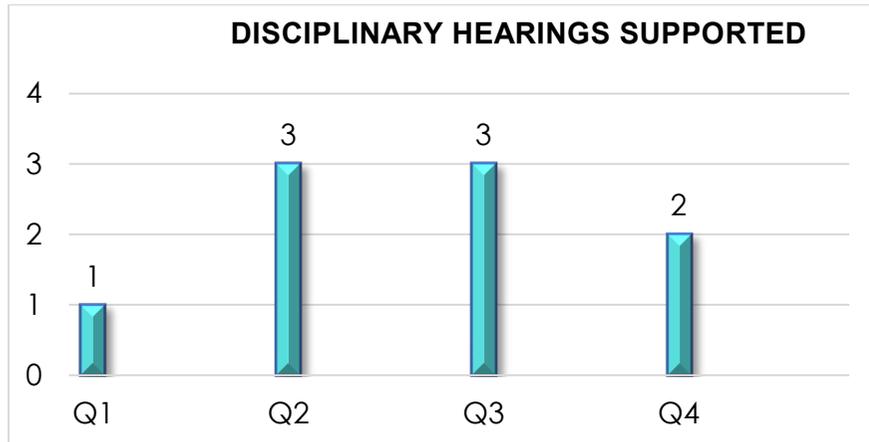




DISCIPLINARY HEARINGS

The Cape Winelands District Municipality has workplace rules as well as a Code of Conduct for Municipal Staff Members that all employees must adhere to. Where an employee allegedly transgresses such rules or the Code of Conduct, the district municipality may institute steps in accordance with the Disciplinary Procedure Collective Agreement that is a product of collective bargaining, and the application thereof is peremptory. Disciplinary action is not a punitive measure, but a corrective one and sanctions imposed for misconduct are intended to deter future repetition of unacceptable behaviour.



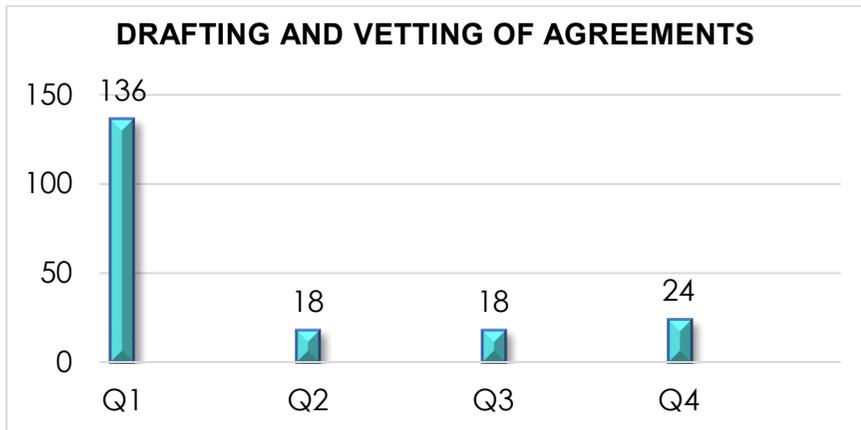


DRAFTING AND VETTING AGREEMENTS

The drafting of agreements may not be the most exciting activity, but it is definitely worth the time and effort. Drafting is the process of creating a contract or an agreement that is legally binding on the parties. In contracts the details matter, and every word, sentence and paragraph are critical to a contract's legality and interpretation. It takes precision and time to create an enforceable contract that both sides are comfortable with.



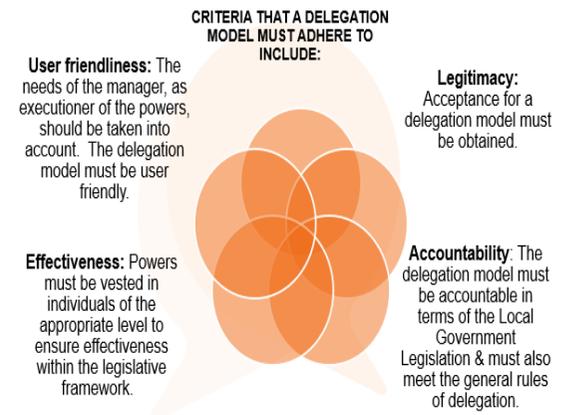
Legal vetting of agreements is the process of evaluating documents thoroughly and critically in compliance with the law. A thorough, careful and critical analysis of the agreement's contents is part of legal contract vetting. The process of drafting and the vetting of agreements plays a very important role to mitigate legal risks.



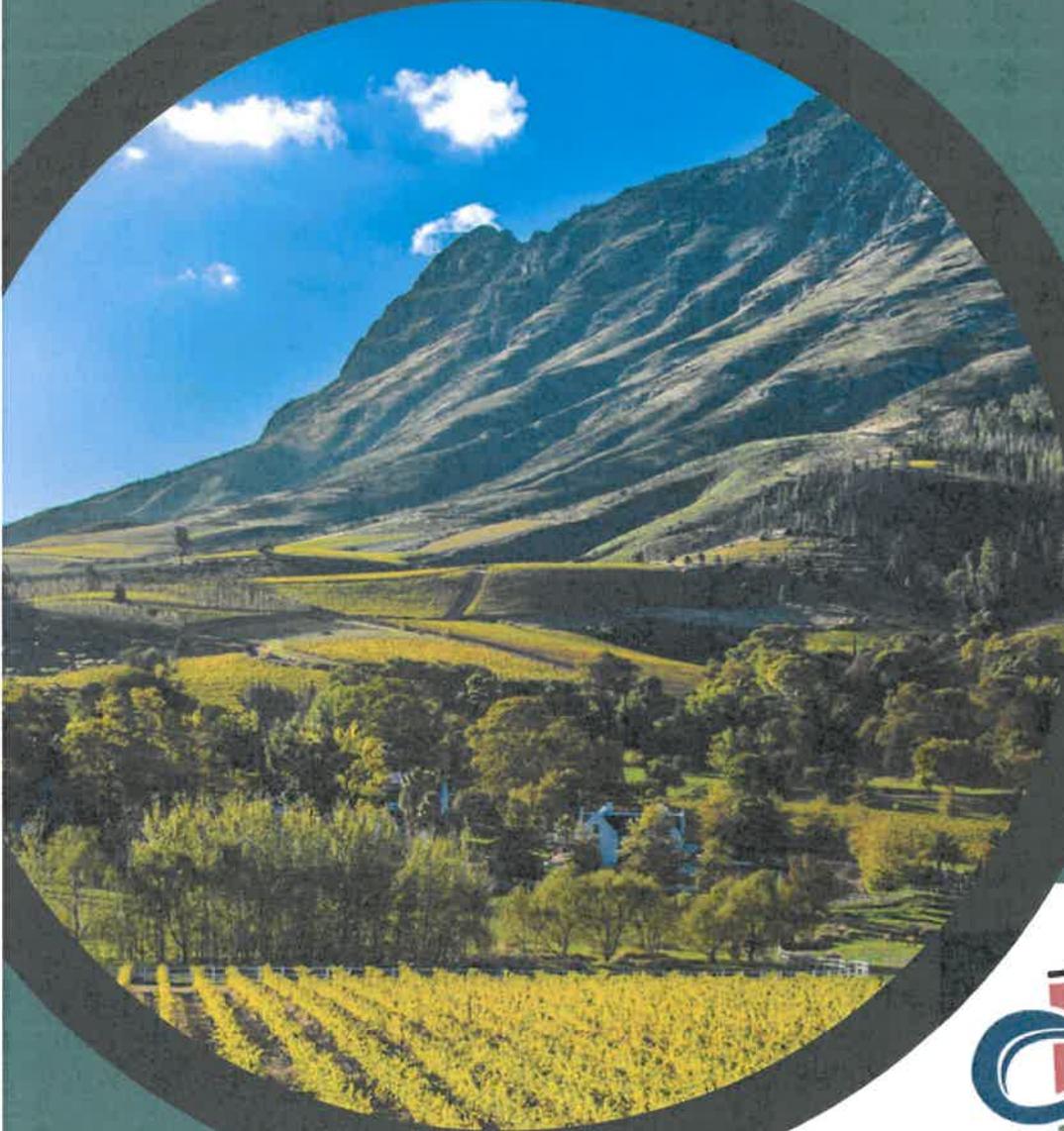
REVIEW OF COUNCIL'S SYSTEM OF DELEGATIONS

In terms of section 59(1) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), a municipal council must develop a system of delegation that will maximise administrative and operational efficiency and provide for adequate checks and balances.

Council's current System of Delegations, reconfirmed by Council on 2 December 2021, was due for a comprehensive review and the Municipal Manager established a Delegations Task Team consisting of representatives from each of the three departments as well as other relevant officials to commence with this process during January 2023. The review has subsequently been concluded and the reviewed System of Delegations will be tabled at Council for approval during the 2023/24 financial year.



PREPARED BY:
CAE: SC Green



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

01 JULY 2022 - 30 JUNE 2023

INTERNAL AUDIT OVERVIEW



INTRODUCTION

This is an internal audit annual overview for the Cape Winelands District Municipality for the financial year of 2022/23. Our aim is to provide assurance and consulting services to the municipality and enhance its operations. This report covers our activities for the 2022/23 financial year, and it is aligned with our authorised internal audit plan and legislative responsibilities.

INTERNAL AUDIT STAFF COMPLEMENT

Name	Post	Qualification
Sharon Green	Chief Audit Executive	M.PHIL, CIA, CFE
Thembela Nama	Senior Internal Auditor	M.PHIL
Anelisiwe Ntloko	Internal Auditor	BTECH: IA

Staff Training and Development Initiatives

The audit team participated in various training initiatives to enhance their skills and knowledge. The Chief Audit Executive (CAE) attended the Municipal Ethical Leadership Webinar on July 28, 2022, and the Collaborator Training on August 24, 2022. Furthermore, the CAE participated in the I-develop Internal Audit training on September 7, 2022, and attended the Risk Management Masterclass on September 8-9, 2022. Additionally, the CAE engaged in another session of I-develop Internal Audit training on September 15-16, 2022. The Senior Internal Auditor and Internal Auditor also took part in the Collaborator Training on August 24, 2022. Moreover, they participated in the I-develop Internal Audit training from September 7 to September 9, 2022, and attended another session on September 15-16, 2022. Both the CAE and Internal Auditor joined the Municipal Minimum Competency Levels (MMCL) program. These training initiatives were aimed at developing and refining the team's competencies in various aspects of auditing and leadership.

KEY PERFORMANCE INDICATORS FOR 2022/2023

Total KPI's for 2022/23	Target for 2022/23	Actual Performance Achieved
9	9	100%

IMPLEMENTATION OF 2022/23 INTERNAL AUDIT PLAN

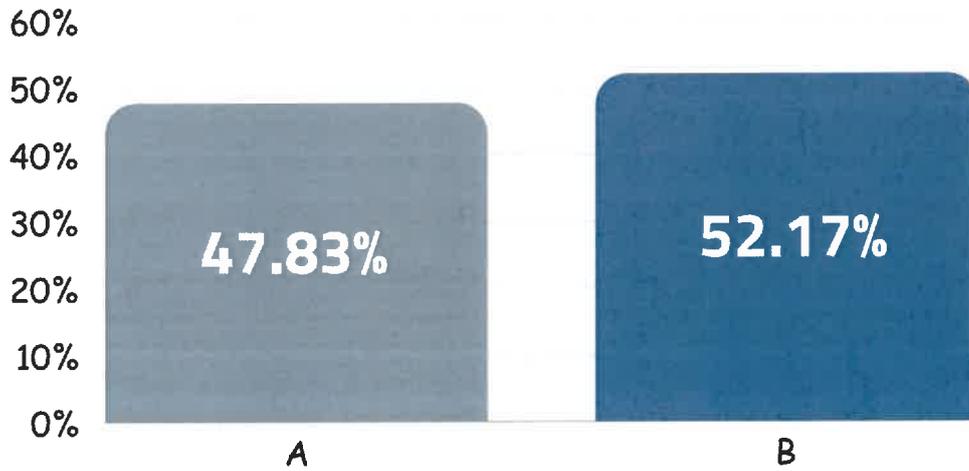
PLANNED	DEFERRED	COMPLETED	PERCENTAGE ACHIEVED
17	2	15	88.24%
TOTAL HOURS (BUDGETED VS ACTUAL)		4376 - 4533	

OVERALL CONCLUSION ON CONTROL ENVIRONMENT – AUDITS COMPLETED

No. of Audits for 2022/23	Risk Treatments / Area Assessed	Overall Rating on Control Environment
15	32	Optimum = 1 Good = 7 Acceptable = 8 Weak = 15 Inadequate = 1

Outcome of action plans and controls implemented

No. of Follow-up audits completed	Total action plans and controls followed up	Progress made with the implementation of the action plans and controls	
		A (Action plans and controls implemented)	B (Action plans and controls not implemented)
8	23	11	12

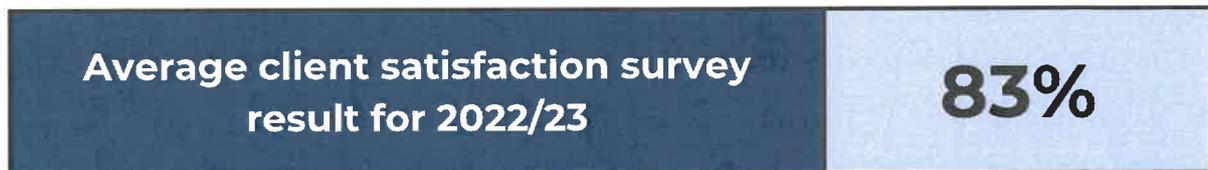


SUMMARY OF MUNICIPAL AUDIT ACTION PLAN (MAAP) - FOLLOW-UP (AG COMAF'S)

Legend:

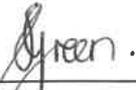
	Completed	8 (89%)
	In progress	1 (11%)
		<u>9 (100%)</u>

SUMMARY OF CLIENT SATISFACTION SURVEYS



CONCLUSION AND INTERNAL AUDIT INDEPENDENCE

During the 2022/23 financial year Internal Audit has maintained its independence as outlined in the approved Internal Audit Charter. No other matters have come to the attention of the CAE during the financial year under review, which should be reported to the Audit and Performance Committee and Management.



MS SC GREEN

CHIEF AUDIT EXECUTIVE

INTERNAL AUDIT

DATE: 23 NOVEMBER 2023



CAPE WINELANDS DISTRICT
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OFFICE OF THE MUNICIPAL MANAGER

IDP, PERFORMANCE & RISK MANAGEMENT

2022/2023 DIVISIONAL ANNUAL REPORT





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The functions in this division are as follows:

1. Integrated Development Planning (IDP)

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

An Integrated Development Plan is a super plan for an area that gives an overall framework for development. Every municipality in South Africa is required to produce an Integrated Development Plan, in which the city's future is mapped over the short, medium and long-term.

2. Public Participation (PP)

Public participation is the engagement of individuals with the various structures and institutions of democracy, including voting, contacting a political representative, campaigning and lobbying, and taking part in consultations and demonstrations.

South Africa's Constitution requires that all spheres of government provide a forum for the public consideration of issues and that they must: receive petitions, facilitate public involvement in their legislative and other processes, and. conduct business in an open manner.

The main aim of public participation is to encourage the public to have meaningful input into the decision-making process. Public participation thus provides the opportunity for communication between government making decisions and the public.

3. Performance Management

Performance Management is an ongoing, continuous process of communicating and clarifying job responsibilities, priorities, performance expectations, and development planning that optimize an individual's performance and aligns with organizational strategic goals.

Performance management is paramount for organizations aiming to maximize productivity and achieve sustained success. It provides a framework to set clear expectations, monitor progress, and provide feedback to employees, enabling them to perform at their best.

4. Risk Management

Risk management is the continuing process to identify, analyze, evaluate, and treat loss exposures and monitor risk control and financial resources to mitigate the adverse effects of loss.

Simply put, risk management aims to protect an organization from potential losses or threats to its continued operation. This can include financial losses, damage to the organization's reputation, or harm to employees.



5. Fraud Risk Management

Fraud risk management is the process of identifying, understanding, and responding to fraud risks in an organization. It involves creating a program to detect, stop, and/or prevent both internal and external fraud for an organization. Fraud and poor governance are serious risks for all organizations.

6. Compliance Coordination

Compliance coordination helps to ensure that the Municipality, its employees and its projects comply with all relevant regulations and specifications. This includes health and safety, environmental, legal or quality standards, as well as any ethical policies the Municipality may have.

7. Municipal Public Accounts Committee (MPAC)

The purpose of the Municipal Public Accounts Committee is to strengthen the oversight arrangements in the municipality and to ensure the efficient and effective use of municipal resources.

The Municipal Public Accounts Committee is established in terms of section 79 of the Municipal Structures Act.

8. Inter-governmental Relations (IGR)

'Inter-governmental relations' refers to the relationships between the three spheres of government. The South African Constitution states, 'the three spheres of government are distinctive, interdependent and interrelated'.

The main purpose of implementing IGR is to create a mechanism for the district's inhabitants to work more successfully together in the areas of peace and security, and also to deal with economic and social questions.



9. Joint District & Metro Approach (JDMA)

Also known as the DDM in other parts of the country, this is an intergovernmental approach focusing on 52 district and metropolitan spaces as IGR impact zones for more effective joint planning, budgeting and implementation over multi-year planning and electoral cycles. JDMA is taken to mean and entail both immediate and short-term actions as well as medium to long-term actions and fitting into a logical framework.

This can be the strategic alignment platform for all three spheres of government where a Single Plan for the district and directs all strategic investment spending and project delivery and forms the basis for accountability.

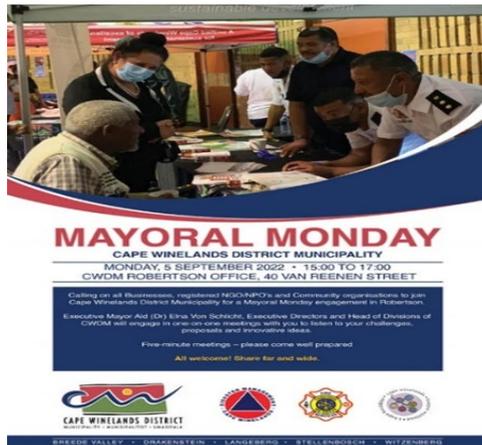


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Some of the highlights that took place in and/or out of this division in the period of 01 July 2022 to 30 June 2023 are:

- Coordinating various Mayoral Monday sessions in all local municipalities in the district;
- Hosting and attending the Provincial IDP Managers' Forums on a quarterly basis;
- Attending and presenting on the Cape Winelands District JDMA status at the SALGA NEC engagement in George;
- Obtaining a 10th consecutive "Clean Audit" in terms of the pre-determined objectives/performance management section; and
- The co-coordination of the 6th Presidential Imbizo that took place in the Drakenstein area on 19 May 2023. Cape Winelands District Municipality, once again, demonstrated great skill and team effort in assisting with the organising of this event.

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APPENDIX 2 - MUNICIPAL HEALTH SERVICES RESPONSE TO MPAC

Refer to attached report.



CAPE WINELANDS DISTRICT
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MEMORANDUM TO : **DEPUTY DIRECTOR: MUNICIPAL HEALTH SERVICES**
MR R HUMPHREYS

OFFICIAL : **AIR QUALITY OFFICER**
MR M ENGELBRECHT

REFERENCE NO. : **5/1/1/18 & 9/1/1**

DATE : **15 November 2023**

SUBMISSION OF AIR QUALITY MANAGEMENT RESPONSE TO DRAFT 2022/2023 ANNUAL REPORT FOR MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

With reference to the request for response to the Municipal Public Accounts Committees comments on the Air Quality Management input for the 2022/2023 Annual Report of the Cape Winelands District Municipality (CWDM) under Component G: Environmental Protection.

Attached please find the comments drafted by the CWDM air quality officer and documentary evidence.

Yours faithfully

M ENGELBRECHT
AIR QUALITY OFFICER



CAPE WINELANDS DISTRICT
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AIR QUALITY MANAGEMENT BY-LAW

Approved by Council:

Promulgated:

CAPE WINELANDS DISTRICT MUNICIPALITY AIR QUALITY MANAGEMENT BY-LAW

To provide for Air Quality Management and to provide for matters incidental thereto:

PREAMBLE

WHEREAS section 156(2) of the Constitution of the Republic of South Africa Act, 1996 provides that a municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer and to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions;

AND WHEREAS section 13(a) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) read with section 11(1) of the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004) has made the Air Quality Management By-law hereunder;

AND WHEREAS under the provisions of section 11 and section 13(a) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) has made the Air Quality Management By-law hereunder;

AND WHEREAS the Cape Winelands District Municipality seeks to ensure management of air quality and the control of air pollution within the area of jurisdiction of the Cape Winelands District Municipality and to ensure that air pollution is avoided or, where it cannot be altogether avoided, is minimized and remedied;

AND NOW THEREFORE, BE IT ENACTED by the Council of the Cape Winelands District Municipality, as follows:-

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24. Establishment of Atmospheric Emission Licensing (AEL) System

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CHAPTER 1

DEFINITIONS AND FUNDAMENTAL PRINCIPLES

1. Definitions

In this By-law, unless the context indicates otherwise –

“adverse effect” means any actual or potential impact on the environment that impairs or would impair the environment or any aspect of it to an extent that is more than trivial or insignificant;

“air pollutant” includes dust, smoke, fumes and gas that causes or may cause air pollution;

“air pollution” means any change in the environment caused by any substance emitted into the atmosphere from any activity, where that change has an adverse effect on human health or wellbeing or on the composition, resilience and productivity of natural or managed ecosystems, or on materials useful to people, or will have such an effect in the future;

“Air Quality Act” means the National Environment Management: Air Quality Act, 2004 (Act No39 of 2004);

“air quality management plan” means the Air Quality Management Plan referred to in section 15 of the Air Quality Act;

“air quality officer” means the Air Quality Officer designated as such in terms of section 14(3) of the Air Quality Act;

“ambient air” means **“ambient air”** as defined in section 1 of the Air Quality Act;

“atmosphere” means air that is not enclosed by a building, machine, chimney or other similar structure;

“atmospheric emission” or **“emission”** means any emission or entrainment process emanating from a point, non-point or mobile source that results in air pollution;

“authorised person” means any employee of the Cape Winelands District Municipality delegated by the Municipal Manager to implement any provision of this By-law;

“best practicable environmental option” means the option that provides the most benefit, or causes the least damage to the environment as a whole, at a cost acceptable to society in the long term as well as in the short term;

“controlled emitter” means any appliance or activity declared as a controlled emitter in terms of section 23 of the Air Quality Act;

“Council” means the Council of the Cape Winelands District Municipality or any of the other political structures, political office bearers, councillors or staff members, of Cape Winelands District Municipality duly authorised by delegation;

“CWDM” means the Cape Winelands District Municipality established by Provincial Notice No 486 of 2000 in terms of sections 12 and 14 of the Local Government Municipal Structures Act, 1998 (Act No 117 of 1998);

“environment” means the surroundings within which humans exist and that are made up of—

- (a) the land, water and atmosphere of the earth;
- (b) micro-organisms, plant and animal life;
- (c) any part or combination of (a) and (b) and the inter relationships among and between them; and
- (d) the physical, chemical, aesthetic and cultural properties and conditions of the foregoing that influence human health and well-being;

“listed activity” means a list of activities contemplated in section 21(1)(a) of the Air Quality Act;

“MEC” means Member of the Executive Council of the Western Cape Provincial Government to whom the Premier has assigned the responsibility of environmental affairs.

“ Municipality” means the Cape Winelands District Municipality established by Provincial Notice No. 479 of 2000 in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998);

“Municipal Manager” means a person appointed by the Council of the Cape Winelands District Municipality in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No117 of 1998);

“NEMA” means the National Environmental Management Act, 1998 (Act No 107 of 1998).

“non-point source” means a source of atmospheric emissions which cannot be identified as having emanated from a single identifiable source or fixed location, and includes veld, forest and open fires, mining activities, agricultural activities and stockpiles;

“nuisance” means an unreasonable interference or likely interference caused by air pollution with –

- (a) the health or well-being of any person or living organism; or

(b) the use and enjoyment by an owner or occupier of his or her property or environment;

“offensive odour” means any smell which is considered to be malodorous or a nuisance to a reasonable person;

“operator” means a person who owns or manages a listed activity and/or controlled emitter, or who controls an operation or process, which emits air pollutants;

“person” means a natural person or a juristic person;

“premises” includes-

- (a) any building or other structure of any listed activity and/or controlled emitter;
- (b) any adjoining land occupied or used in connection with any listed activity and/or controlled emitter carried on in that building or structure;
- (c) any vacant land of any listed activity and/or controlled emitter;
- (d) any locomotive, ship, boat or other vessel which operates as a listed activity and/or controlled emitter, within the area of the jurisdiction of the Cape Winelands District Municipality;

“point source” means a single identifiable source and fixed location of atmospheric emission, and includes smoke stacks and chimneys;

“processing fee” means an administrative fee payable on submission of an application for an atmospheric emission licence as determined by the licensing authority from time to time.

“Province” means the Province of the Western Cape;

“smoke” means the gases, particulate matter and products of combustion emitted into the atmosphere when material is burned or subjected to heat and includes the soot, grit and gritty particles emitted in smoke;

“specialist study” means any scientifically based study relating to air quality conducted by an expert or recognized specialist of appropriate qualifications and competency in the discipline of air quality management;

“Structures Act” means Local Government: Municipal Structures Act, 1998, (Act No 117 of 1998);

“Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

2. Application of this By-law

- (1) This By-law applies to all properties or premises from where listed activities and controlled emitters identified in terms of section 21 and 23 of the National Environment Management: Air Quality Act, 2004 (Act No 39 of 2004) are conducted within the area of jurisdiction of the Cape Winelands District Municipality that include the five local municipalities.
- (2) The provisions of this By-law do not remove the need for any other permit, consent, or authorisation required under any other statutory acts, By-law and regulatory documents.

3. Objectives

- (1) The objectives of this By-law are to:
 - (a) Give effect to the right contained in section 24 of the Constitution of the Republic of South Africa, 1996 by regulating air pollution within the area of the District Municipality's jurisdiction in a co-operative manner between the District Municipality and Local Municipalities, taking cognizance of the respective air quality management plans;
 - (b) Provide, in conjunction with any other applicable law, an effective legal and administrative framework, within which the Council can manage and regulate activities that have the potential to adversely impact the environment, public health and well-being; and
 - (c) Ensure that air pollution is avoided, or where it cannot be altogether avoided, mitigated or minimized.
- (2) Any person exercising a power under this By-law must exercise such power in order to give effect to the objectives as set out in subsection (1) above.

4. Administration and Enforcement

- (1) The Municipal Manager is responsible for the administration and enforcement of this By-law.
- (2) The Municipal Manager may in writing delegate any power granted to him/her in terms of this By-law to any competent official in his/her Department.

5. District Municipality's right of access to premises

- (1) The District Municipality shall have access to or over any premises for the purpose of-

- (a) doing anything authorized or required to be done by the District Municipality under this By-law or the National Environment Management: Air Quality Act, 2004 (Act No 39 of 2004) or any other law regulating air quality matters;
 - (b) inspecting and examining atmospheric emissions or anything connected therewith;
 - (c) enquiring into and investigating any possible sources of atmospheric emissions or the suitability of immovable property for any work, scheme or undertaking that results in atmospheric emissions;
 - (d) ascertaining whether there is or has been contravention of the provisions of this Bylaw or the National Environment Management: Air Quality Act, 2004 (Act No 39 of 2004) and (e) enforcing compliance with the provisions of this By-law or National Environment Management Air Quality Act, 2004 (Act No 39 of 2004).
- (2) The District Municipality may by notice in writing, e-mail, telephonically or verbally served on the owner or occupier of any premises, require such owner or occupier to provide, on the day and at the hour specified in such notice, to allow access to such premises to an authorized person and for a purpose referred to in subsection (1).
- (3) The District Municipality may gain access to, or over any property without notice and may take whatever steps or action as may, in its opinion, be necessary or desirable in consequence of the existence of, or the occurrence of any emergency or disaster, or for the purpose of subsection (1)(d).

6. Levying of tariffs

The District Municipality may levy and recover fees, charges or tariffs for any permission granted in terms of this By-law, or implement tariffs as prescribed by the National Environmental: Air Quality Act, 2004 (Act No 39 of 2004) and may require the deposit of an amount of money as security for damages, repair, losses and other costs.

7. Conflict with other By-laws

In the event of any conflict between this By-law and any other By-law or any policy which regulates air pollution in the jurisdiction area of the Cape Winelands District Municipality (including the five (5) Local Municipalities within the said jurisdiction area of the District Municipality) the provisions of this By-law shall prevail, unless it is an exclusive local municipality power or function.

CHAPTER 2
DUTY OF CARE

8. Reasonable measures to prevent air pollution

- (1) Any person who is wholly or partially responsible for causing air pollution or creating a risk of air pollution occurring must take all reasonable measures including the best practicable environmental option to –
 - (a) prevent any potential significant air pollution from occurring; and
 - (b) mitigate and, as far as reasonably possible, remedy any significant air pollution that has occurred.
- (2) The District Municipality may direct any person who fails to take the measures required under subsection (1) to –
 - (a) commence taking specific reasonable measures before a given date;
 - (b) continue those measures; and;
 - (c) complete them before a specified reasonable date,provided that prior to such direction the District Municipality must give such person adequate notice and direct him or her to inform the authorised person of his or her relevant interests, and the authorised person may consult with any other organ of state.
- (3) The District Municipality may, if a person fails to comply or inadequately complies with a directive contemplated in subsection (2), take reasonable measures to remedy the situation.
- (4) The District Municipality may, if a person fails to carry out the measures referred to in subsection (1), recover all reasonable costs incurred as a result of him or her acting under subsection (3) from any or all of the following persons:
 - (a) any person who is or was responsible for, or who directly or indirectly contributed to the air pollution or the potential air pollution;
 - (b) the owner of the land at the time when the air pollution or the potential for air pollution occurred;
 - (c) the person in control of the land or any person who has or had a right to use the land at the time when the –

- (i) activity or the process in question is or was performed or undertaken; or
 - (ii) situation came about; or
- (d) any person who negligently failed to prevent the—
 - (i) activity or the process being performed or undertaken; or
 - (ii) situation from coming about.
- (5) No person may:
 - (a) unlawfully and intentionally or negligently commit any act or omission which causes or is likely to cause air pollution; or
 - (b) refuse to comply with a directive issued under this section.
- (6) Any person who fails to comply with subsection (5) commits an offence.
- (7) If more than one person is liable under subsection (4), the liability may be apportioned among the persons concerned according to the degree to which each person was responsible for the harm to the environment resulting from their respective failures to take the measures required under subsections (1) and (2).

CHAPTER 3

DESIGNATION OF THE AIR QUALITY OFFICER OFFICIALS RESPONSIBLE FOR CO-ORDINATING MATTERS PERTAINING TO AIR QUALITY MANAGEMENT AND ENVIRONMENTAL MANAGEMENT INSPECTORS

- 9. Designation or Appointment of the Air Quality Officer and Environmental Management Inspectors of Officials Responsible for Co-ordinating Matters Pertaining to Air Quality Management**
- (1) The Municipal Manager must designate and/or appoint a qualified employee of the Cape Winelands District Municipality as the air quality officer to be responsible for co-ordinating matters pertaining to air quality management in the Cape Winelands District Municipality.
 - (2) The Municipal Manager may designate and/or appoint a qualified employee of the Cape Winelands District Municipality to assist the district air quality officer in controlling air pollution within the area of the municipality's jurisdiction.

- (3) The Municipal Manager may request the MEC responsible for environment in the Province to designate environmental management inspectors in terms of section 31C of the National Environmental Management Act, 1998 (Act No 107 of 1998) (NEMA).

10. Duties and Functions of the Air Quality Officer

- (1) The Air Quality Officer must –
 - (a) co-ordinate the development of the Air Quality Management Plan for inclusion in the Integrated Development Plan of the Cape Winelands District Municipality, in accordance with Chapter 5 of the Local Government Municipal Systems Act, 2000 (Act No 32 of 2000);
 - (b) prepare an annual report of the Cape Winelands District Municipality on air quality;
 - (c) exercise the duties and powers assigned to him or her under this By-law under the directions of Municipal Manager; and
 - (d) submit the annual report referred to in paragraph (b) to the Air Quality Officer appointed by the MEC responsible for environment in the Province.
- (2) The annual report referred to in subsection (1)(b) must, amongst others, include the progress of the Cape Winelands District Municipality towards the implementation of the Air Quality Management Plan.
- (3) The Air Quality Officer may require the holder of a provisional atmospheric emission licence or the holder of an atmospheric emission licence to designate an emission control officer as contemplated in section 48 of the National Environment Management: Air Quality Act, 2004 (Act No. 39 of 2004).

CHAPTER 4

LOCAL EMISSIONS STANDARDS, NORMS AND STANDARDS

Part 1: Local Emission Standards

11. Legal Mandate

- (1) The District Municipality may, by notice –
 - (a) identify substances or mixtures of substances in ambient air which, through ambient concentrations, bioaccumulation, deposition or in any other way, present a threat to health, well-being or the environment in the Cape Winelands District Municipality or which the Air Quality Officer reasonably believes present such a threat; and

- (b) in respect of each of those substances or mixtures of substances, publish local standards for emissions from point or non-point or mobile sources in the Cape Winelands District Municipality.
- (2) The District Municipality shall take the following factors into consideration in setting local emission standards:
- (a) health, safety and environmental protection objectives;
 - (b) analytical methodology;
 - (c) technical feasibility;
 - (d) monitoring capability;
 - (e) socio-economic consequences;
 - (f) ecological role of fire in vegetation remnants; and
 - (g) best practicable environmental option.
- (3) Any person who is emitting substances or mixtures of substances as referred to in subsection(1) must comply with the local emission standards published in terms of this By-law.

Part 2: Norms and Standards

12. Substances Identification Process

- (1) The authorised person must apply the following criteria when identifying and prioritising the substances in ambient air that present a threat to public health, well-being or the environment:
- (a) the possibility, severity and frequency of effects with regard to human health and the environment as a whole, with irreversible effects being of special concern;
 - (b) ubiquitous and high concentrations of the substance in the atmosphere;
 - (c) potential environmental transformations and metabolic alterations of the substance, as these changes may lead to the production of chemicals with greater toxicity or introduce other uncertainties;
 - (d) persistence in the environment, particularly if the substance is not biodegradable and able to accumulate in humans, the environment or food chains;
 - (e) the impact of the substance taking the following factors into consideration:
 - (i) size of the exposed population, living resources or ecosystems;

- (ii) the existence of particularly sensitive receptors in the zone concerned; and
 - (f) substances that are regulated by international conventions.
- (2) The authorised person must, using the criteria set out in subsection (1), compile a list of substances in ambient air that present a threat to public health, well-being or the environment.

13. Publication of Local Emission Standards

For the purposes of publication of the local emission standards, the Cape Winelands District Municipality must follow a consultative process in terms of Chapter 4 of the Local Government Municipal Systems Act, 2000 (Act No 32 of 2000).

CHAPTER 5

CONTROLLED EMITTERS

14. Application for Controlled Emitters

- (1) No person shall install, alter, extend, replace or operate any appliance or activity declared as a controlled emitter in terms of section 23 of the National Environment Management: Air Quality Act, 2004 (Act No 39 of 2004), on any premises without the prior written authorisation of Council, which may only be given after consideration of the completed prescribed application form together with the relevant plans and specifications.
- (2) An application for a controlled emitter authorisation must be –
- (a) made in writing on the Cape Winelands District Municipality District Municipality application form as prescribed;
 - (b) accompanied by documents or information as may be required by the air quality officer; and
 - (c) on payment of the prescribed application fee determined by Council from time to time.
- (3) After considering the application for a controlled emitter authorisation submitted in terms of subsection (1) and (2), the District Municipality must either:
- (a) grant an application and issue an authorization, subject to any conditions that may be imposed; or
 - (b) refuse an application with reasons.

- (4) The authorization issued in terms of subsection (1) must specify:
- (a) the product name and model of the controlled emitter;
 - (b) the premises in respect of which it is issued;
 - (c) the person to whom it is issued;
 - (d) the period for which the authorization is issued;
 - (e) the name of the municipality;
 - (f) the periods at which the authorization may be reviewed;
 - (g) the fuel type and quality;
 - (h) the maximum allowed amount, volume, emission rate or concentration of pollutants that may be discharged in the atmosphere;
 - (i) any other operating requirements relating to atmospheric discharges, including non-point source emission measurement and reporting requirements; and
 - (j) any other matters which are necessary for the protection or enforcement of air quality.
- (5) The District Municipality must review the authorization issued in terms of this section at intervals specified in the authorization, or when circumstances demand that a review is necessary.
- (6) Any controlled emitter installed, altered, extended or replaced on premises in accordance with plans and specifications submitted to and approved for the purposes of this section by the District Municipality, shall be presumed until the contrary is proved to comply with the provisions of subsection (1).
- (7) The District Municipality may take whatever steps it considers necessary in order to remedy the harm caused by the installation, alteration, extension or replacement on premises and prevent any further occurrence, and may recover the reasonable costs so incurred from the person responsible for causing such harm.

15. Operation of Controlled Emitters

- (1) No person may use or operate any controlled emitter on any premises contrary to the authorisation referred to in section 14.
- (2) Where any controlled emitter has been used or operated on the premises in contrary to subsection (1), the District Municipality may on written notice to the owner and occupier of the premises –

- (a) revoke his or her authorisation under section 14; and
 - (b) order the removal of the controlled emitter from the premises at the expense of the owner and operator within the period stated in the notice.
- (3) The District Municipality may, if the owner or occupier of the premises fails to comply with the notice referred to in subsection (2), remove the controlled emitter from the premises and may recover the reasonable costs incurred from such owner or occupier of such premises.

16. Emission Measurements and Reporting Requirements for Controlled Emitters

- (1) The operator of controlled emitters shall carry out measurements of minimum emission standards, as contemplated in section 24(1) of the National Environment Management: Air Quality Act, 2004 (Act No 39 of 2004).
- (2) The manner in which the emission measurements shall be carried out must be in accordance with the standard sampling and analysis methods listed for controlled emitters in terms of section 24(2) of the National Environment Management: Air Quality Act, 2004 (Act No 39 of 2004).
- (3) The operator of an controlled emitter must-
 - (a) submit at least one (1) emission report per annum, in a form and by a date specified by the District Municipality, to the air quality officer;
 - (b) provide any additional emission reports as requested by the air quality officer;
 - (c) record all measured results and maintain a copy of this record for at least five years after obtaining the results; or
 - (d) produce the record of the measurement results for inspection if requested to do so by the air quality officer.

CHAPTER 6

EMISSIONS CAUSED BY DUST EMISSIONS, OPEN BURNING AND BURNING OF MATERIAL

17. Dust Emissions from Listed Activities and Controlled Emitters

- (1) Subject to the National Dust Control Regulations, 2013, as amended from time to time, any person who conducts any listed activity or causes or permits dust emissions to occur or operate an controlled emitter which causes or permits dust emissions into the atmosphere, that may be harmful to public health and well-being or is likely to cause a nuisance to persons residing or present in the vicinity of such land, activity or premises,

shall adopt the best practical environmental option as control measure to the satisfaction of the authorised official, to prevent and abate dust emissions.

- (2) The control measures must be consistent with the provisions of any applicable legislation.
- (3) Any person who contravenes subsection (1) commits an offence.

18. Emissions caused by Open Burning

- (1) Subject to subsection (2), any person who intends to carry out burning of any material on any land or premises is guilty of an offence, unless the prior written authorisation of the relevant authority, which may include the imposition of further conditions with which the person requesting authorisation must comply, has been obtained;
- (2) The provisions of this section shall not apply to —
 - (a) recreational outdoor barbecue or braai activities on private premises;
 - (b) small controlled fires in informal settlements for the purposes of cooking, heating water and other domestic purposes; or
 - (c) any other defined area or defined activity to which the District Municipality has declared this section not to apply.
- (3) Any person who undertakes or permits to be undertaken open burning in contravention of subsection (1) above commits an offence.

CHAPTER 7

EMISSIONS THAT CAUSE AN OFFENSIVE ODOUR

19. Prohibition of Emissions that Cause Offensive Odours

- (1) No person shall, within the area of jurisdiction of the Cape Winelands District Municipality conduct any listed activity and or part of any listed activity or controlled emitter which cause an offensive odour that is in contravention of Atmospheric Emission Licence conditions or minimum emission standards published in terms of section 21 or section 24 of the Air Quality Act; or
- (2) Any person conducting listed and/or controlled emitter activities that produces emissions of offensive odours that may be harmful to public health and/or well-being or cause a nuisance that is in contravention of Atmospheric Emission Licence conditions or minimum emission standards published in terms of section 21 or section 24 of the

Air Quality Act, shall take control measures to prevent odorous emissions into the atmosphere.

- (3) Any person undertaking an activity referred to in subsection (2) above must implement the necessary measures such as, but not limited to, monitoring or any other measure determined by the authorized person to identify the substance(s) causing the offensive odour.
- (4) Any person undertaking an activity referred to in subsection (2) above must implement the necessary offensive odour control measures and any alternative control measure approved by the air quality officer or his or her delegated representative.
- (5) If an occupier or owner of any premises from which an offensive odour emanates, or where an offensive odour exists, refuses to control the offensive odour or refuses to implement the control measures referred to in subsection (3) above is guilty of an offence.

20. Abatement Notice

- (1) An authorised person may serve an abatement notice on any person whom he or she reasonably believes is likely to act in contrary or has acted in contrary of section 21, calling upon that person to-
 - (a) abate the offensive odour within a period specified in the notice;
 - (b) take all necessary steps to prevent a recurrence of the offensive odour; and
 - (c) comply with any other conditions contained in the notice.
- (2) An abatement notice under subsection (1) may be served –
 - (a) upon the owner of any premises, by –
 - (i) delivering it to the owner or, if the owner cannot be traced or is living abroad, the agent of the owner;
 - (ii) transmitting it by registered post to the last known address of the owner or the last known address of the agent; or
 - (iii) delivering it to the address where the premises are situated, if the address of the owner and the address of the agent are unknown;
 - (b) upon the occupier of the premises, by –
 - (i) delivering it to the occupier; or
 - (ii) transmitting it by registered post to the occupier at the address at which the premises are situated.

CHAPTER 8

LICENSING OF LISTED ACTIVITIES

21. Establishment of Atmospheric Emission Licensing System

The District Municipality hereby establishes an Atmospheric Emission Licensing System as contemplated in Chapter 5 of the Act.

22. Application for Atmospheric Emission Licence

- (1) No person shall undertake a listed activity, as published in terms of section 21 of the Act, without being in possession of an atmospheric emission licence issued by the Air Quality Officer.
- (2) An application for an atmospheric emission licence must be –
 - (a) made in writing on the Cape Winelands District Municipality application form (hard copy) as prescribed;
 - (b) accompanied by documents or information as may be required by the air quality officer; and
 - (c) on payment of the prescribed processing fee determined by Council from time to time.
- (3) Before considering an application made in terms of subsection (2), the Air Quality Officer may require the applicant to furnish additional information such as, but not limited to, a specialist air quality impact study and /or proof of a public participation process.
- (4) Any person who undertakes a listed activity without an atmospheric emission licence is guilty of an offence and is subject to the penalties as set out in section 52 of the National Environment Management: Air Quality Act, 2004 (Act No. 39 of 2004).

23. Appeal Process for Atmospheric Emission Licensing

The appeal process as governed by section 62 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), will apply.

CHAPTER 9

OFFENCES AND PENALTIES

24. Offences and Penalties

- (1) Any person who continues to commit an offence after notice has been served on him or fails to cease committing such offence after he has been convicted of such offence, is guilty of a continuing offence.
- (2) Any person who-
 - (a) contravenes any of the provisions of this By-law, condition or restriction or fails to comply therewith; or
 - (b) contravenes or fails to comply with any order made hereunder or any notice served in connection herewith; or
 - (c) furnishes a false statement, or give false or misleading information knowing it to be false or misleading;is guilty of an offence and liable to a :-
 - (i) fine or imprisonment, or to both such fine and such imprisonment and;
 - (ii) in the case of a continuing offence, to an additional fine or an additional period of imprisonment for each day on which such offence is continued and;
 - (iii) a further amount equal to any cost and expenses found by the court to have been incurred by the municipality as result of such contravention or failure.
- (3) In addition to imposing a fine or imprisonment, a court may order any person convicted of an offence under this By-law to –
 - (a) remedy the harm caused;
 - (b) pay damages for harm caused to another person or to property, which order shall have the force and effect of a civil judgment; and
 - (c) install and operate at the person’s own expense emission measuring equipment referred to in section 16.
- (4) In addition to any other penalty the court may impose, it may order a person convicted of an offence under this By-law to take such steps the court considers necessary within a period determined by the court in order to prevent a recurrence of the offence.

CHAPTER 10

GENERAL MATTERS

25. Compliance Monitoring and Inspections

- (1) For the purposes of compliance monitoring at list of activities contemplated in section 21(1)(a) of the Air Quality Act, the designated environmental management inspectors must exercise the powers as set out in sections 31G to 31L of the National Environmental Management Act, 1998 (Act No 107 of 1998) (NEMA).
- (2) The authorized person and/or the Environmental Management Inspectors may request from any polluter that significantly contributes or is likely to contribute to poor air quality, ambient and point or non-point source monitoring and any other air quality related study, programs or reports to be conducted by a recognised and competent third party, at the cost of the polluter.
- (3) For the purposes inspections the authorized person may enter any premises, excluding a private dwelling, at any reasonable time and inspect such premises in order to ensure compliance to this By-law.

26. Enforcement

- (1) The authorised person must take all lawful, necessary and reasonable practicable measures to enforce the provisions of this By-law.
- (2) The Cape Winelands District Municipality may develop enforcement procedures which should take into consideration any national or provincial enforcement procedures.
- (3) The District Municipality may, in any case where it seems that any action or neglect by any person or owner of property may lead to a contravention of the provisions of this By-law, give notice in writing to such person or owner of property to comply with such requirements as the District Municipality may deem necessary to prevent the occurrence or repetition of such contravention.

27. Recognition Programmes

An Air Quality Officer may establish a programme for the public recognition of significant achievements in the area of pollution prevention.

28. Co-operation between Municipalities

- (1) In an effort to achieve optimal service delivery in terms of this By-law, the District Municipality may enter into any written agreements with any person, organ of state or organization with which legislative and executive powers are shared, in respect of the following-
 - (a) the practical arrangements with regard to the execution of the provisions of this By-law;
 - (b) the recovery of costs and expenses related to any action in terms of this By-law;

- (c) any other matter regarded necessary by the parties to achieve optimal service delivery in terms of this By-law.
- (2) The District Municipality must monitor the effectiveness of any agreement entered into in terms of subsection (1), in achieving the purposes for which it was entered into and may cancel the agreement after giving reasonable notice to the other party if the District Municipality has reason to believe that the agreement is not effective, or is inhibiting the attainment of the purpose of this By-law.

29. Appeals

- (1) A person whose rights are affected by a decision taken by an authorised person under this By-law, may appeal against that decision by giving written notice of the appeal and the reasons therefore in terms of Section 62 of the Local Government: Municipal Systems Act (Act No 32 of 2000) to the Municipal Manager within 21 days of the date of the notification of the decision.
- (2) Pending confirmation, variation or revocation of the decision against which the appeal is lodged, any person appealing the said decision, unless the municipality provides otherwise:
 - (a) must nonetheless substantively comply with any obligations that may have been imposed as a result of the decision that is the subject of the appeal; and
 - (b) may not exercise any rights that may have accrued as a result of the decision that is the subject of the appeal application, provided that no other person may exercise any right that may accrue either.

30. Exemptions

- (1) Any person may, in writing, apply for exemption from the application of a provision of this By-law to the District Municipality.
- (2) An application in terms of subsection (1) must be accompanied by substantive reasons.
- (3) The District Municipality may require an applicant applying for exemption to take appropriate steps to bring the application to the attention of relevant interested and affected persons and the public.
- (4) The steps contemplated in subsection (3) may include the publication of a notice in at least two newspapers, one circulating provincially and one circulating within the jurisdiction of the Cape Winelands District Municipality.
 - (a) giving reasons for the application; and

- (b) containing such other particulars concerning the application as the air quality officer may require.
- (5) The District Municipality may –
- (a) from time to time review any exemption granted in terms of this section, and may impose such conditions as it may determine; and
 - (b) on good grounds withdraw any exemption.
- (6) The District Municipality may not grant an exemption under subsection (1) until he or she has –
- (a) taken reasonable measures to ensure that all persons whose rights may be significantly detrimentally affected by the granting of the exemption, including adjacent land owners or occupiers, are aware of the application for exemption and how to obtain a copy of it;
 - (b) provided such persons with a reasonable opportunity to object to the application; and
 - (c) duly considered and taken into account any objections raised.

31. Policy

- (1) The District Municipality may adopt and implement in a Policy Document measures for the regulation of air quality, and activities and to provide for incidental matters.
- (2) The application of the provisions of the Policy may be limited to a specific area/or any categories of premises or activities and may permit deviation and exemptions from, and the relaxation of, any such provisions on reasonable grounds.
- (3) Any person contravening the provision of the Policy or furnish false or misleading information, is guilty of an offence, and on conviction liable to a fine or imprisonment, or both such fine and imprisonment.
- (4) The Policy must be made public and conveyed to the community in terms of section 21 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

32. Indemnity

The Cape Winelands District Municipality shall not be liable for any damage caused to any property or premises by any action or omission of the employees or officials of the Cape Winelands District Municipality when exercising any function or performing any duty in terms of this By-law, provided that such employees or officials must, when exercising such function or performing such duty, take reasonable steps to prevent any damage to such property or premises.

33. Repeal and Savings

Anything done or deemed to have been done under any other law remains valid to the extent that it is consistent with this By-law, or until anything done under this By-law overrides it.

34. Short Title

This By-law is called the Cape Winelands District Municipality: Air Quality Management By-law and shall come into operation on the date of publication thereof in the Provincial Gazette.

DRAFT

**C.14.1 UNAUDITED DRAFT ANNUAL REPORT OF THE CAPE WINELANDS
DISTRICT MUNICIPALITY FOR THE 2022/2023 FINANCIAL YEAR
(5/1/18 & 9/1/1)**

COMMENTS BY MPAC CHAIRPERSON; CLLR D.W. NEL

The abovementioned item served before Council at the 21 August 2023 meeting. At the request of the Speaker I am submitting the comments below on behalf of MPAC for the attention and written response by the Administration to be submitted to the next Council meeting.

1. OUTSTANDING ITEMS

1.1 System of delegations

At the Council meeting of January 2023 I submitted a written question as to the progress with the revision of the system of delegations to which the Administration responded that a Task Team was established to undertake a comprehensive review of the said system with the aim to submit a reviewed system of delegations to Council by July 2023.

The reviewed document has not yet been submitted.

1.2 Revised Rules of Order

At the same meeting I submitted a written question as to the progress with the revision of the current Rules of Order to which the Administration responded as follows: *"A workshop on the Rules of Order was held in 2022. The Administration is awaiting feedback from the Speaker in this regard, whereafter it would be in a position to establish a timeframe."*

Response in this regard is awaited.

2. REPORTING ON SERVICE DELIVERY IN DRAFT ANNUAL REPORT

The issue of outcomes-based reporting has been raised in MPAC meetings on previous occasions. The Auditor General also refers thereto in the 2020/21 Audit Report and I quote: *"This resulted in some municipalities measuring what was done (input) and not what was delivered (output) or what was achieved (outcomes)."*

Pages 71 and onwards of the draft report, outlines what has been done in terms of service delivery regarding health services, waste management, air quality management, etc.
Examples:

(1) Water quality monitoring

1427 water quality samples were taken, but no information is given on what the compliance rate was, or what has been done where non-compliance was detected.

(2) Food Control

85 orders and notices were issued, presumably for non-compliance. The report does not indicate any outcomes in this regard.

(3) Food safety sampling

969 samples were taken without any indication of the outcomes thereof.

(4) Waste management

The report defines the function, but no information on what has been done or achieved in this regard.

(5) Health surveillance of premises

Once again, the report defines the function, but no reporting on compliance or actions taken. (The same comments apply to vector control and environmental pollution control)

(6) Communicable diseases

51 cases of diseases were investigated, but no information on what the outcomes were.

(7) Air Quality management

The report refers to actions such as: "assisting", "input given", "site visits", etc. but no real information on compliance or achievements. Also refer to Table 2 which indicates that 64 complaints were received, but no information on outcomes. Also no reference to progress with development of a by-law in this regard.

(8) Community safety

The report mentions four Community Safety Forum meetings that were held with local municipalities, but no mention is made whether these meetings were indeed successful and what possibly emanated from the meetings.

It is suggested that the format of reporting be revised to focus on outcomes as indicated above and possibly to summarise each function by highlighting achievements and also the challenges faced in the process.

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2022 NAEIS AUDIT ON SECTION 21 LISTED ACTIVITIES AND SECTION 23 CONTROLLED EMITTERS OPERATING WITHIN THE CAPE WINELANDS DISTRICT MUNICIPALITY

The screenshot displays the SAAELIP Authority web application interface. The browser address bar shows the URL: saaelip.environment.gov.za/SAAELIP_SAAELIP_AUTHORITY/Client/SNAEL/Shared/Pages/Main/AppHomeAdmin.aspx. The user is logged in as Marius Engelbrecht, representing the Cape Winelands District Municipality.

The interface is divided into several main sections:

- Summary of AEL Issued:** A table showing the status of Active AELs.

Total # of Active AEL(s):	5
Total # of AEL(s) Issued in the Past 6 Months:	0
Total # of AEL(s) to be Expired in 6 Months:	0
Total # of AEL(s) renewed:	0
- National Atmospheric Emission Inventory System (NAEIS) Summary:** A table showing the status of NAEIS Master List and various reports.

NAEIS Master List:	19
EI Reports In "Submitted":	0
EI Reports Audit Determined – Unassigned:	0
EI Reports Audit Determined – Completed:	19
EI Reports Audit Determined – Incomplete:	0
EI Reports Audit Not Yet Determined:	0
National Verification(s) – Unassigned:	0
National Verification(s) – Incomplete:	0
National Verification(s) – Failed:	0
National Verification(s) – Approved:	0
- My Tasks:** A section showing upcoming tasks. Two tasks are listed, both due on 11/09/2022:
 - Acknowledgement of Application:** 5303 - AEL Application (New) for Drakenstein Crematorium (Bernard van der Merwe, submitted on 01/09/2022).
 - Completeness Audit:** 5303 - AEL Application (New) for Drakenstein Crematorium (Bernard van der Merwe, submitted on 01/09/2022).
- My Inspections:** A section showing inspection status. The status is set to "Scheduled". A message states: "There is no inspection task. If you need to search tasks, please select Work Task tab at the top of the page."
- My Business Intelligence Analysis:** A section with a "Power BI Report" and links to "Western Cape - Performance Tracking", "Western Cape - EI Submission Statistics", and "Western Cape - Emission Data Statistics".
- Message Center:** A section showing "1 amend applications" and "New ACO Account".
- My Queries:** A section with links to "Active User List", "Over Due Work Assignment", "Application Review Work Assignment Summary", and "Registered User Summary".

The Windows taskbar at the bottom shows the system time as 07:45 on 2022/09/06.



NAEIS Report Preparation

- Master List
- Master List History

Audit Management

- Audit Console List
- Audit Console List History

NV Management

- National Verification List
- National Verification List History

Report Management

- Admin Reports & Queries
- Analysis Reports

Data Change History

- Data Change Search

State > NAEIS Report Preparation > Master List

Work Group: Cape Winelands District Municipality Source Name: NAEIS Flag: SRN:

Address 1: Municipality: Local Municipality:

Submit Method: Confirm Received: Staff Approved: Staff Assigned: Status:

Source Type: All Search Clear Filter

This page allows you to review and approve master list.

Master List for EI Year: 2021.

Select Page All: Select All:

Items per page: 50

1 - 19 of 19 item(s)

	Source Name	Status	Staff Approved	SRN	Staff Assigned	Submit Method	NAEIS Source Flag	Source Type	Notification Sent	Notification Method	Confirm Received?	Date Confirmed	Work Group
<input type="checkbox"/>	Independent Crematoriums South Africa - Worcester Crematorium	Audit-Completed	YES	WCCW002		Electronic	Y	Section 21	09/02/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	RCL FOODS LIMITED -Chicken Worcester Processing	Audit-Completed	YES	WCCW003		Electronic	Y	Section 21	14/03/2022	Email	YES	09/02/2022	Cape Winelands District Municipality
<input type="checkbox"/>	Worcester Bakstene (Pty) Ltd	Audit-Completed	YES	WCCW004	Marius Engelbrecht	Electronic	Y	Section 21	21/12/2021	Email	YES	03/01/2022	Cape Winelands District Municipality
<input type="checkbox"/>	NAUDE BAKSTENE BK	Audit-Completed	YES	WCCW005		Electronic	Y	Section 21	14/03/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Cape Lime (Pty) Ltd Langrui	Audit-Completed	YES	WCCW007		Electronic	Y	Section 21	26/01/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Twehll Company (PTY) LTD t/a Tulbagh Bricks	Audit-Completed	YES	WCCW008		Electronic	Y	Section 21	09/02/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Drakenstein Crematorium	Audit-Completed	YES	WCCW009	Marius Engelbrecht	Electronic	Y	Section 21	09/02/2022	Email	YES	25/02/2022	Cape Winelands District Municipality
<input type="checkbox"/>	Paarl Brickfields	Audit-Completed	YES	WCCW010		Electronic	Y	Section 21	09/02/2022	Email	YES	24/01/2022	Cape Winelands District Municipality
<input type="checkbox"/>	De Hoop Steenwerwe (Pty) Ltd	Audit-Completed	YES	WCCW011		Electronic	Y	Section 21	26/01/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Rheinmetall Denel Munition Pty (Ltd) - Wellington Factory	Audit-Completed	YES	WCCW012		Electronic	Y	Section 21	14/03/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	McMillan Bricks (Pty) Ltd	Audit-Completed	YES	WCCW013		Electronic	Y	Section 21	26/01/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Boland Bricks (Pty) Ltd	Audit-Completed	YES	WCCW014		Electronic	Y	Section 21	14/03/2022	Email	YES	21/12/2021	Cape Winelands District Municipality
<input type="checkbox"/>	Cabrico (Pty) Ltd	Audit-Completed	YES	WCCW015		Electronic	Y	Section 21	09/02/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Western Cape Provincial Veterinary Laboratory	Audit-Completed	YES	WCCW017		Electronic	Y	Section 21	14/03/2022	Email	YES	09/02/2022	Cape Winelands District Municipality
<input type="checkbox"/>	CERES FRUIT PROCESSORS	Audit-Completed	YES	WCCW024		Electronic	Y	Section 23 - Small Boilers	14/03/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Distell Worcester	Audit-Completed	YES	WCCW025		Electronic	Y	Section 23 - Small Boilers	26/01/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Langeberg and Ashton Foods	Audit-Completed	YES	WCCW026		Electronic	Y	Section 23 - Small Boilers	14/03/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Ceres Fruit Juices	Audit-Completed	YES	WCCW027		Electronic	Y	Section 23 - Small Boilers	09/02/2022	Email	NO		Cape Winelands District Municipality
<input type="checkbox"/>	Wharshay Investments (Pty) Ltd T/A KWV	Audit-Completed	YES	WCCW035		Electronic	Y	Section 23 - Small Boilers	21/12/2021	Email	YES	13/01/2022	Cape Winelands District Municipality

Notification Method Change To: Notify Date: Save

Export to Excel

Approve by WorkGroup Staff Approve by Supervisor Add Source to Masterlist Remove Source Publish Reports eNotify Confirm Delete All Delete

Calculate Emissions for Searched Sources Calculate National Wide Emissions

AIR QUALITY MANAGEMENT RESPONSE TO DRAFT 2022/2023 ANNUAL REPORT FOR MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The National Management Air Quality Act (NEM: AQA) places a duty on the different spheres of government to prevent pollution that present a threat to health, well- being or the environment, while the National Framework for Air Quality Management in South Africa. defining the functions of the spheres of government

The district municipality has to fulfil the function of atmospheric emission licensing authority to manage legislated requirements in terms of the atmospheric emission licenses issued to Section 21 listed activities. In addition, the monitor compliance with operations and minimum emission standards set for activities declared as Section 23 controlled emitters.

The National Framework assign and delineate responsibilities for the implementation of NEM: AQA to the different spheres of government as indicated in Table below:

(District function highlighted in red)

Typical AQA governance functions relating to compliance monitoring						
Function	AQA Ref.	DEA	Prov.	Municipalities		
				Metro	Dist.	Local
Monitoring potential illegal listed activities.	S.51(1)(a)	PR	PR	PR	PR	I
Monitoring compliance with emission standards in respect of the manufacture, sale or use any appliance or conducting of an activity declared as a controlled emitter.	S.51(1)(a)	PR	PR	PR	PR	I
Monitoring compliance in respect to reasonable steps to prevent the emission of any offensive odour caused by an activity, in terms of nuisance or disturbance matters.	S.51(1)(a)	O	O	PR	I	PR
Monitoring compliance in respect to reasonable steps to prevent the emission of any offensive odour caused by a listed activity.	S.51(1)(a)	PR	PR	PR	PR	I
Monitoring compliance in respect noise caused by an activity, in terms of nuisance or disturbance matters.	S.51(1)(a)	O	O	PR	I	PR
Monitoring compliance in respect noise, caused by a listed activity.	S.51(1)(a)	PR	PR	PR	PR	I
Monitoring compliance with directives to submit or to implement a pollution prevention plan.	S.51(1)(b)	PR	PR	I	I	I
Monitoring compliance with directives to submit an atmospheric impact report.	S.51(1)(c)	PR	PR	PR	PR	PR
Monitoring compliance with notification requirements in respect of mines that are likely to cease mining operations within a period of five years.	S.51(1)(d)	PR	I	I	I	I
Monitoring compliance with conditions or requirements of an atmospheric emission licence	S.51(1)(e)	PR	PR	PR	PR	I
Monitoring any application for an atmospheric emission licence, or for the transfer, variation or renewal of such a licence to ensure that it does not contain false or misleading information	S.51(1)(f)	PR	PR	PR	PR	I
Monitoring any information provided to an air quality officer to ensure that it does not contain false or misleading information.	S.51(1)(g)	PR	PR	PR	PR	I
Monitoring compliance with conditions subject to which exemption from a provision of the AQA was granted.	S.51(1)(h)	PR	I	I	I	I

Monitor compliance with the requirements of the National Dust Control Regulations, for listed activities.	S.32 (regs)	PR	PR	PR	PR	I
Monitor compliance with the requirements of the National Dust Control Regulations for an activity, in terms of nuisance or disturbance matters.	S.32 (regs)	I	I	PR	I	PR
Monitor compliance with the emission standards set out for activities declared as controlled emitters in terms of section 23.	S.32 (regs)	O	O	PR	PR	I
Monitor compliance with the emission standards set out for activities declared as controlled emitters in terms of section 23; for facilities that have been issued with an AEL.		PR	PR	PR	PR	I
Monitor compliance with the requirements for emission reporting according to the regulations developed in terms of section 12(b) and (c) in the event such reporting requirements are not stipulated in the AEL.	S12	PR	I	I	I	I

Key:	PR	Principal Responsibility in relevant jurisdiction	O	Oversight & support	I	Input
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Air quality matters referred to the CWDM air quality officer by the public, CWDM Municipal Health Services, Department of Forestry, Fisheries (DFFE) and Environment, Department Environmental Affairs, Development Planning (DEA&DP) and local municipalities are investigated and if district responsibility to address the matter will be dealt with in terms of the relevant air quality legislation.

The following matters related to district responsibility in terms of air quality management reference in the 2022/2023 Annual Report –

- Site visit and input to a proposed project to erect a pilot Zig-zag kiln at Cabrico.

Cabrico are in possession of an atmospheric emission license (AEL), where the license requires the license holder to ensure no changes to operations related to AEL to happen without prior approval from the Licensing Authority, and/or consultation with the competent authority in terms of the National Environmental Management Act (NEMA).

Site visit and meeting between Cabrico, DEA&DP and CWDM on proposed pilot plant to produce bricks to establish applicability of NEMA environmental authorisation. DEA&DP gave permission to erect plant under condition that AEL authorised throughput and minimum emission standards are not exceeded.

- Provide input to Stellenbosch Municipality on a proposed bio-char plant in Jonkershoek.

Stellenbosch Municipality requested input to a public enquiry to establish a bio-char plant. With the design capacity of a bio-char plant, such a facility can either be considered a Section 21 listed activity needing environmental authorisation and a AEL to operate or considered a small-scale char plant regulated as Section 23 controlled emitter.

Bio-char plant never materialised.

- Intergovernmental engagement between CWDM, Drakenstein Municipality and DEA&DP to address public complaints on offensive odorous emissions.

Complaints investigation by CWDM and Drakenstein Municipality revealed possible sources of public complaints on offensive odours could be Drakenstein Crematorium as Section Listed activity and/or continuous burning of Drakenstein Municipality sewage sludge ponds.

Intergovernmental engagement between CWDM, Drakenstein Municipality and DEA&DP on finding solutions to complaints.

Drakenstein Municipality launched an initiative with their Fire Services to stabilise the sewerage ponds underbrush burning.

CWDM continuous investigation into operations at Drakenstein Crematorium and compliance to set AEL requirements led to the CWDM requesting the facility to halt operations for formulating a pollution abatement plan to ensure compliance.

- *Site visit and discussions on boiler smoke complaint from Ceres Fruit Processors in Ceres.*

Upon complaints for smoke emanating from Ceres Fruit Processors as Section 23 controlled emitter, investigated the complaint during a site visit.

Found Boiler 3 monitored particulate matter emissions exceeded the emission limits for controlled emitters. Specialist boiler investigation revealed damage to the multi cyclone grid arrestor and shut down valve escalated the oxygen intake into the boiler resulting in particulate matter exceedance.

The low quality coal distributed require more frequent shoot blowing which contributed to visible smoke and frequent loadshedding resulted in boilers scaling down during low request for steam, resulting in coal clinkers in the boilers.

Ceres Fruit Processors rectified the damage to Boiler 3 and only except A-grade coal peas at facility.

- *Input to Basic Assessment on proposed residential development in Paarl in the close proximity of operational brick manufacture utilizing clamp kilns.*

Provide input towards air quality management on NEMA Basic Assessment process input to residential development in Drakenstein Municipality adjacent to facility utilising brick kilns and operating under an AEL issued by CWDM.

- *AQO's input to the Langeberg Town Planning Department wrt a rezoning application from Agricultural Zone I To Industrial Zone III for a proposed Manganese Mine.*

Input to Langeberg Municipality on a request for input on air quality management to a rezoning application to obtain a mining license through Department of Mineral Resources and Energy (DMRE). DMRE would resume the role of atmospheric emission licensing authority should the proposed mining activities require an AEL.

The Air Quality Officer's input to the 2022/2023 Annual Report of the CWDM under Component G: Environmental Protection included the assistance to management of air quality matters with the local municipalities. The CWDM Air Quality Management Plan emphasised the fundamental need for intergovernmental cooperation with the local municipalities for good air quality governance within the district. The CWDM maintain the principle of cooperative governance with local municipalities to ensure effective and efficient rendering of air quality management within the district wrt air quality management matters and complaints at local municipal level.

The CWDM AQO gives input on air quality management into required Environmental Impact Assessments processes as well as into town planning applications for rezoning or new developments at local municipalities.

Complaints Handling

The handling of air quality complaints appears to be complex but trust the explanation will provide more clarity regarding the legal requirements/principles applicable when handling and addressing air quality complaints by different spheres of government. The responsibility of addressing matters pertaining to air quality complaints differ for the officials from the district and local municipality as stated below.

Local Municipality

- *Air Quality Management*

In terms of NEM: AQA and National Framework, the handling and addressing of air quality complaints regarding offensive emissions (inclusive of odour, smoke, dust) and noise for all non-listed activities within their area of jurisdiction must be addressed by the air quality officer of the relevant local authority. This includes small boiler operations, generators, spray booths, pizza ovens, printers, production of rubber products, fires from informal meat trading, amongst others. Storage and supply of construction materials to the construction and building market, such as sand, aggregates, cement, ready-mix cement with related crusher and screening operations, are activities that could possibly contribute to air pollution in the district. Noise control under Western Cape Noise Control Regulations for industrial related noise and other noise related complaints.

Complaints received by the CWDM for non-listed activities are referred to the air quality officer or other appropriate law enforcement officers at the local municipalities for investigation and addressing in terms of the NEM: AQA, Western Cape Noise Control Regulations or relevant municipal By-laws.

District

- *Air Quality Management*

Offensive emissions and noise caused by the operation of any facility promulgated as Section 21 listed activity or Section 23 controlled emitter under the NEM: AQA, in terms of the National Framework this function resorts under the air quality officer of the relevant district municipality.

- *Municipal Health Services*

Only in cases where the complainant/s can provide sufficient and written evidence or where sufficient other information is available regarding how the offensive emissions in question harm the complainant/s' health and/or well-being and investigated in terms of the National Health Act, 2003 (Act no. 61 of 2003), by the relevant district Environmental Health Practitioner, can be considered a health nuisance. Such complaints relating to offensive emissions under the National Health Act or other applicable legislation under which the district municipality is authorised, must be dealt with by that district municipality.

Although all the local municipalities within the CWDM had designated officials as air quality officers for their municipalities, only Stellenbosch Municipality has appointed a principal officer for air quality and noise control. Due to the lack of specialised technical skills in coordinating matters pertaining to air quality management at local municipalities, the CWDM assist these municipalities with investigations and/or provide technical input towards complaints related to air quality management.

Complaints indicated within the 2022/2023 CWDM Annual Report included mostly complaints received by the CWDM air quality officer that upon investigation were referred to local municipalities to solve. Although the CWDM assisted the local municipalities with addressing these complaints, the relevant authority to close these complaints upon compliance to relevant legislation.

Compliance Monitoring

All listed activities are visited periodically to assess compliance to their AEL's and the Section 23 controlled emitters. CWDM evaluate the annual emission reports from these facilities to verify compliance with permitted operating conditions and air emission standards.

During this reporting period –

- Drakenstein Crematorium was requested to halt operations to ensure compliance to AEL requirements.
- De Hoop Steenwerwe requested to submit pollution abatement plan to ensure compliance to stricter Minimum Emission Standards set Nationally for Subcategory 5.9 listed activities.
- Western Cape Provincial Veterinary Laboratory not adhering to Minimum Emission Standards halted operations to refurbish incinerator and will recommission only in 2024.
- Non-compliance to Minimum Emission Standards resulted in ICSA Worcester decommissioned one cremator and refurbished second cremator, resulting in compliance to set Minimum Emission Standards.

The National Atmospheric Emission Reporting Regulations, in terms of section 12 (b) and (c) read with section 53 (aA), (o) and (p) of the Air Quality Act and require all Section 21 listed activities and Section 23 controlled emitters to annually submit their emission inventory report for the preceding year inclusive of all possible pollutants from associated facility, operating data, emissions calculations and monitored data to the National Atmospheric Emission Inventory System (NAEIS) on or before 31 March each year. Before the end of August each calendar year, the CWDM air quality officer performs an audit on the submitted data in order to establish compliance to the said regulations for each facility. During the audit period the CWDM evaluate the correctness of the submitted data and request additional data or rectifications on submitted data (Attached Proof of NAEIS Audit concluded August 2022 by CWDM).

Air Quality Management By-law

The CWDM Air Quality district specific air quality management by-law was drafted in terms of Section 11 of NEM: AQA which stipulated that a municipality may draft a by-law (Draft CWDM Air Quality By-law attached) It must be noted that all district air quality management functions and responsibilities captured within this draft by-law are already captured within the NEM: AQA and the National Framework.

The by-law must be taken to the CWDM municipal council for approval and upon being passed by the council, the CWDM must follow the consultative process in terms of Chapter 4 of the Municipal Systems Act that allows the public an opportunity to make representations with regard to the proposed by-law.