

ANNUAL REPORT 2019 - 2020



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

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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 |
| CSD | Central supplier database |
| 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 |
| IDP | Integrated Development Plan |
| KPI | Key performance indicator |
| MFMA | Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) |
| MHS | Municipal Health Services |
| 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 organization |
| SALGA | South African Local Government Association |
| 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: DCAS | Western Cape Government: Department of Cultural Affairs and Sport |
| WCG: DEA&DP | Western Cape Government: Department of Environmental Affairs and Development Planning |
| WCG: DEDAT | Western Cape Government: Department of Economic Development and Tourism |
| WCG: DSD | Western Cape Government: Department of Social Development |
| WCG: DLG | Western Cape Government: Department of Local Government |
| WCG: DT&PW | Western Cape Government: Department of Transport and Public Works |

Map of Cape Winelands District



CHAPTER 1

1.1 MAYOR'S FOREWORD

The year 2020 will be remembered as a time of upheaval for the world, our country and our municipality. It introduced great uncertainty and tremendous challenges to the public sector and led us into uncharted territory.

The Covid-19 pandemic has affected every individual - from infections and restrictions on human rights, to loss of life and livelihoods. The Cape Winelands District Municipality's urgent and multi-layered approach to minimise the pandemic's health and economic consequences, protect vulnerable layers of society and counter the economic recession has been reinforced by various types of support.

This annual report is a transparent look at how we executed our mandate to enable citizens and stakeholders to hold us as local government accountable.

During March 2020, this municipality responded quickly and implemented several initiatives to support citizens, employees and various spheres of government. This includes procuring and distributing the necessary PPE to officials. In addition, as a response to an immediate need for support expressed by the Category B municipalities within the District, given the severe impact of COVID-19 in specifically the Cape Winelands District, allocations to the value of more than R 9 million were made out of our own funds. Furthermore, the Cape Winelands District Municipality committed substantial donations to various organisations for disaster relief during this pandemic.

In addition to the above-mentioned, I am very pleased to report on some key successes for the 2019/2020 financial year:

- Thirty-four (34) environmental sites/contracts were awarded and cleared
 - Work opportunities created: ±200
 - Hectares cleared: ±1166
- Attended to more than 1000 veld/bush/mountain fires
- 5100 Sanitary products provided to school learners across the district
- 900 involved people through international day for people with disabilities
- 10 000 people reached through various sporting codes across the district
- 64 sport and recreation clubs were supported
- 20 ECDs supported
- Training provided – total of 13907 people trained (COVID-19 related)
- 92% of training budget spent
- Maintenance of 3,600km of roads
- Re-gravelling of 5.94 km of gravel roads
- Resealing of 36.49 km of surfaced roads
- 100 subsidies for the installation of solar geysers on farm dweller housing units
- Disaster Management Division handed over equipment to the Stellenbosch Municipality for their Neighbourhood Watches - items included reflective jackets, reflective bibs, pepper spray and batons. Training was also provided to the Drakenstein Municipality.
- Through our partnership with SANTAM we have supported the municipalities in our district with various types of assistance – PPE, awareness material, COVID-19 PPE, smoke alarms, etc.

All of this was achieved while we adapted our established modus operandi considerably to ensure the safety of our staff and stakeholders alike.

It is important for me to note that the organisation I lead was alert to the needs of our stakeholders and acted swiftly to support where we can. In reflecting on our organisation's performance, I am inspired by the work we have done under the difficult circumstances during this year. The officials have met challenge after challenge with passion and skill and I have no doubt they will continue to do so in the future.

This pandemic has negatively impacted our service delivery in this financial year severely, due to social distancing requirements that had to be implemented across our range of projects. Even going forward, the COVID-19 pandemic will have a massive impact on South Africa's economy. The severity of the impact on the economy will depend on the length of the national lockdown. We are working together with the National and Provincial Governments and other stakeholders in an attempt to minimise the impact on all of our stakeholders.

In closing, I express my everlasting appreciation for the work done by every single staff member, for the sacrifices they have made in pursuit of our vision of a better Cape Winelands District and for the support they give me every day.

Ald. H von Schlicht

Executive Mayor

1.2 MUNICIPAL MANAGER'S FOREWORD

It is with a deep sense of pride in our organization that I can say, amidst uncertainty and challenging times I am proud of the way the Cape Winelands District Municipality (CWDM) navigated and took action in 2019/2020. However, I am exceptionally proud of how we managed in the last quarter of the financial year. Other than wishing that we had the resources allowing us to have done more, I have no regrets as to our actions in the financial year under discussion. The Auditor General of South Africa has affirmed our continued commitment as a well-run and well governed municipality and awarded us with a 7th consecutive unqualified audit with no findings, also referred to as a 'clean audit' for the financial year outlined in this report.

In my capacity as the Accounting Officer of CWDM, my responsibilities include creating an enabling environment in which our economy can grow, as well as collaboration and co-ordination with our local municipalities in delivering services that support the dignity of citizens in the Cape Winelands District. As an organization we need to ensure that our actions and processes allow us to deliver on the objectives above. Furthermore, as an organ of State, we need to align our objectives to the goal and vision that contribute to the attainment of both the provincial and national priorities. It is, however, the citizens of the Cape Winelands District who we aim to serve.

I extend my appreciation to our Executive Mayor for her support and true interest in the activities of the administration. I further extend my thanks to the Mayor's leadership, her positive representation of the CWDM on a variety of platforms and her role in building a strong, diverse and economically progressive District.

I therefore use this critical reporting and accountability function as both a clear diagnosis of where we are in our task and the actions required moving forward. One of the goals of reporting is to motivate ourselves, our stakeholders and partners to embrace this time we are living in. This has also been a year of sudden and extreme change. I always say that disruption can be good. The pandemic and its environment offered us the opportunity to quickly implement innovative changes, many of which would have taken years to implement under normal circumstances.

Our challenge now, is to find ways of implementing and growing change in such a way that it not only benefits our organisation and citizens, but that our actions prove that a municipality can be a modern business which adds exceptional value to the economic development in its areas of expertise. Furthermore, it is also to uphold the principles of good governance to ensure a well-run and well governed municipality.

I extend my thanks and appreciation to my senior management team and each official in our organisation for their unwavering commitment and loyalty to the organisation.

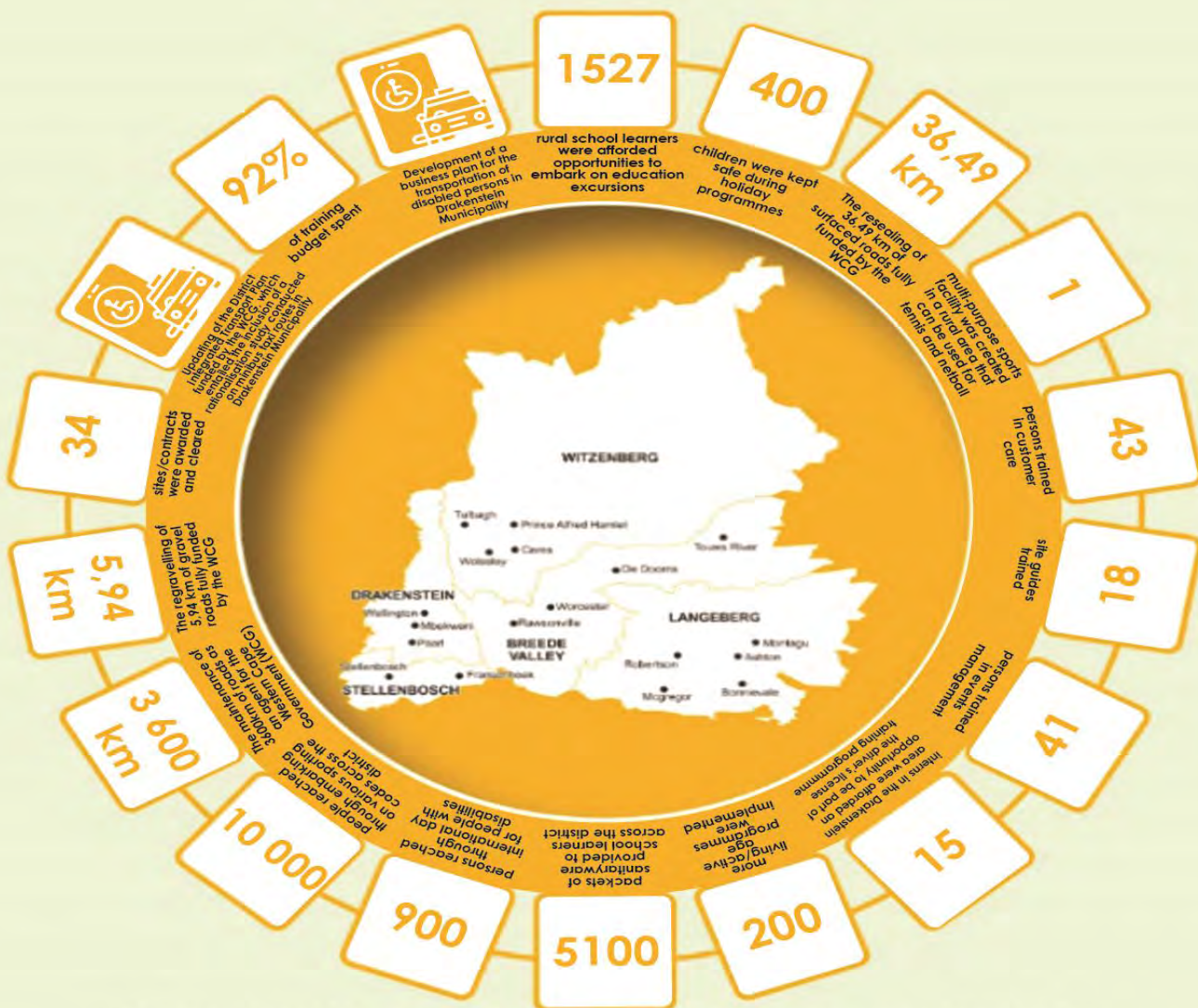
Thank you for your interest and taking the time to learn about us, we appreciate your support.

Henry Prins

Municipal Manager

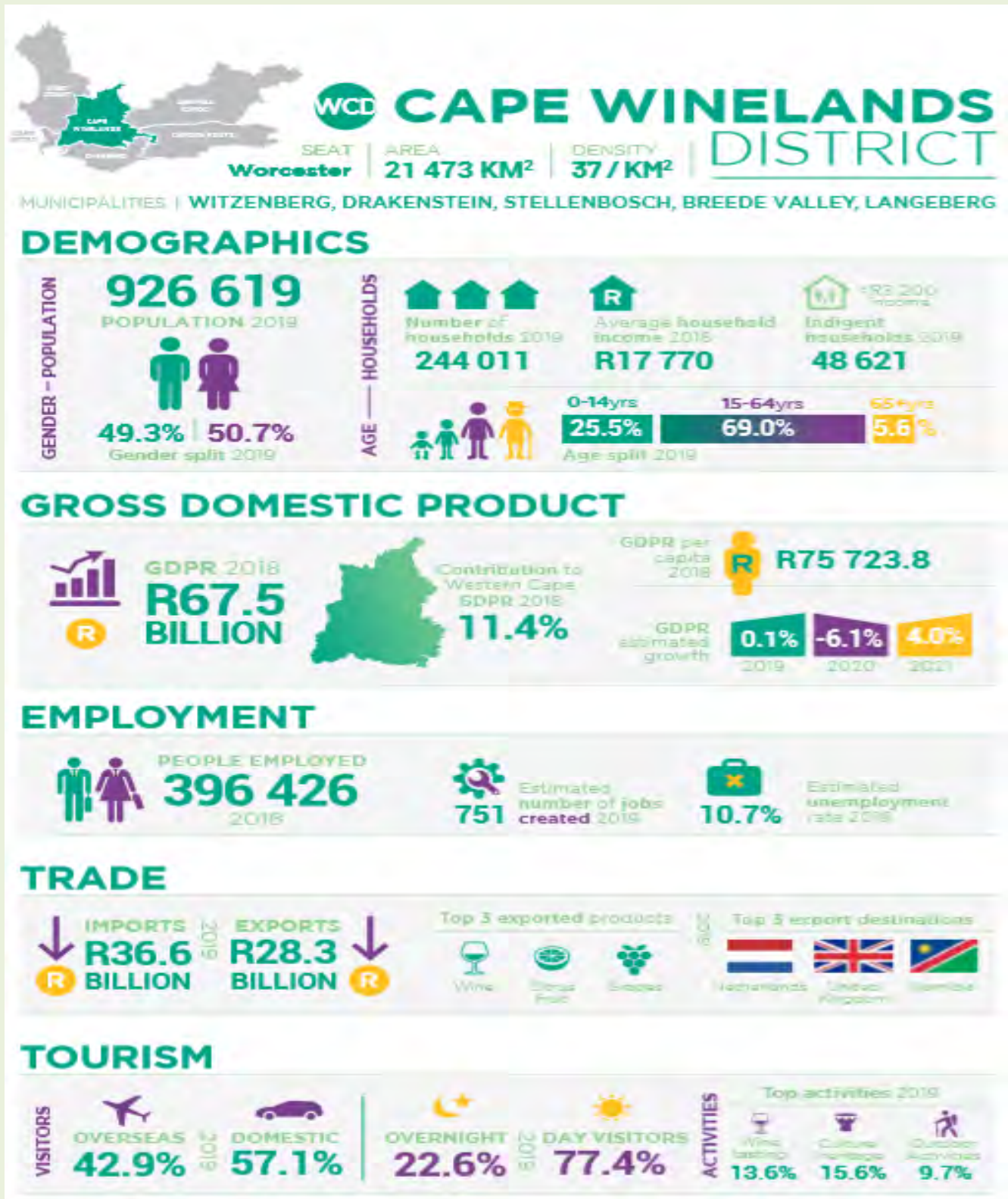
1.3 HIGHLIGHTS FOR THE 2019/2020 FINANCIAL YEAR – SERVICE DELIVERY

HIGHLIGHTS FOR THE 2019/2020 FINANCIAL YEAR – SERVICE DELIVER



The provision of 100 subsidies for the installation of solar geysers on farm dweller housing units. The installation of the units is the responsibility of the land owner and after completion the subsidy is paid out.

1.4 MUNICIPAL DEMOGRAPHICS – AN OVERVIEW



1.5 MUNICIPAL OVERVIEW – FINANCIAL HEALTH FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

| FINANCIAL OVERVIEW – 2019/2020 | | | |
|---|-----------------|-------------------|--------------|
| R' 000 | | | |
| Details | Original budget | Adjustment Budget | Actual |
| Income | | | |
| Grants | 247 562 500 | 244 903 703 | 239 156 653 |
| Taxes, levies and tariffs | 0 | 0 | 0 |
| Other | 199 670 045 | 184 328 733 | 163 530 983 |
| Sub-total | 447 232 545 | 429 232 436 | 402 687 636 |
| Less Expenditure | -443 785 060 | -421 113 351 | -355 782 064 |
| Less (Loss)/Gain on Disposal of Assets and Liabilities | -20 000 | -835 919 | -581 218 |
| Less Inventories losses/write-downs | 0 | -35 500 | -35 439 |
| Net Total | 3 427 485 | 7 247 666 | 46 288 915 |

1.6 MUNICIPAL OVERVIEW – ORGANISATIONAL DEVELOPMENT

On 6 December 2018, Council approved a new organisational structure for the Cape Winelands District Municipality under item C.15.2. The process to develop job descriptions for new approved posts has commenced. The job descriptions will firstly be submitted to the Internal TASK Job Evaluation Committee who will establish whether the job descriptions meet the criteria as specified in the approved Internal TASK Job Evaluation Policy, which was approved by Council under item C.15.1 on 6 December 2018. Secondly, the job descriptions will be submitted to the Regional TASK Job Evaluation Committee for job evaluation and thereafter to the SALGA Provincial Audit Committee for auditing. The implementation of the grading outcomes will only be implemented once the Municipal Manager received and signed-off the outcomes report from the SALGA Provincial Audit Committee. The majority of posts on the staff establishment of the Cape Winelands District Municipality have approved job descriptions.

At a management meeting held on 3 July 2019, it was resolved to commence with the process to develop the revised staff establishment for the Cape Winelands District Municipality. The Division: Human Resources developed a template based on the principles for the review of the microstructure, which had to be completed by the respective departments as part of their proposals. The Department Heads made submissions in terms of any reviews to the structure in their departments for consideration and/or approval by the Municipal Manager. Upon conclusion of this process, the revised establishment for the CWDM will be consulted at the Workplace and Services Restructuring Committee, a subcommittee of the Local Labour Forum, as well as at the Local Labour Forum itself. In accordance with prevailing legislation, the Municipal Manager has the authority to approve the revised staff establishment of the CWDM and it will be tabled to Council for information.

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 491 posts

during the period 1 July 2019 to 30 June 2020, which were subsequently submitted to the SALGA Provincial Audit Committee.

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

During the 2019/2020 financial year, the following new and revised policies were presented at two management meetings that were held on 4 December 2019 and 24 February 2020 respectively. All the policies were circulated to the extended Management team and to Labour for their input. Due to the COVID-19 lockdown period that followed, Labour was unable to have constituency meetings with their members to obtain their input, hence the following processes will be finalised in the coming financial year:

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

CHAPTER 2 – GOVERNANCE

COMPONENT A: INTRODUCTION TO GOVERNANCE

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

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

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

Section 79 Committees of the CWDM consist of the following:

- Rules Committee; and
- Municipal Public Accounts Committee.

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

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

- Training Committee; and
- Local Labour Forum.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

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

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

AUDIT COMMITTEE

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

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

POLITICAL STRUCTURE



Ald (Dr) H von Schlicht
Executive Mayor



Cllr D Swart
Deputy Executive Mayor
Portfolio Holder:
Agri Parks and coordinator of the Agri
Committee



Ald C Meyer
Speaker



Cllr L Landu
Portfolio Holder:
Advisor to the Executive Mayor



Cllr PC Ramokhabi
Portfolio Holder:
Rural & Social Development,
Administrative Services and
Human Resources



Cllr LW Niehaus
Portfolio Holder:
Disaster Management,
Fire Services and Municipal Health
Services



Cllr GJ Carinus
Portfolio Holder:
Information and Communication
Technology
Facilities Management
Project Management
Roads
Regulation of Passenger Transport
Services



Cllr A Florence
Portfolio Holder:
Sport, Arts and Culture



Cllr JJ du Plessis
Portfolio Holder:
Local Economic Development, Spatial
Planning, Environmental Management,
Tourism and IDP



Cllr JDF van Zyl
Portfolio Holder:
Financial Services



Cllr DD Joubert
Single Whip of Council

COUNCILLORS

1 JULY 2019 TO 30 JUNE 2020

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

Attached as Appendix A is a full list of Councillors.

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

POLITICAL DECISION MAKING

1 JULY 2019 TO 30 JUNE 2020

| | |
|--|-----------------------------------|
| Number of Council resolutions: | 136 (All resolutions implemented) |
| Number of Mayoral Committee resolutions: | Ordinary meetings – 98 |
| Number of Mayoral Committee resolutions: | Confidential meetings – 23 |
| 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 2019/2020 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 2019/2020 financial year, all Section 56 positions were filled, however the position of Executive Director: Community Development and Planning Services was vacant from 01 September to 31 December 2019. Nevertheless, acting roles created a stable platform of management expertise that guided the district municipality into a prosperous future. Interaction, as well as the ability to work with Section 56 appointees as an efficient management team provided professional leadership, proving once again that the district municipality's human resources are our greatest asset. Interaction with the Executive Mayor and Portfolio Councillors has resulted in an effective governing body providing sound political leadership, which is essential for successful local governance.

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

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

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

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

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

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

The MSA and the Local Government: Municipal Planning and Performance Management Regulations, 2001 require municipalities to adopt a performance management system. Once the IDP and budget were prepared and approved, the Municipal Manager ensured that the district municipality had prepared its Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The district municipality assessed its performance on a monthly 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.

DRAFT

TOP ADMINISTRATIVE STRUCTURE



Mr HF Prins
Municipal Manager



Mr PA Williams
Executive Director: Community
Development and Planning
Services



Ms FA du Raan-Groenewald
Chief Financial Officer



Mr F van Eck
Executive Director:
Technical Services

COMPONENT B: INTER-GOVERNMENTAL RELATIONS

INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

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

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

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

INTER-GOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

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

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

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

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

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

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

RELATIONSHIPS WITH MUNICIPAL ENTITIES

No municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

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

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

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

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

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Cape Winelands District Municipality conducts meetings in collaboration with local municipalities situated in the municipal area of jurisdiction. On 18 and 25 November 2019, sector engagements/public participation meetings were held with various organised structures, businesses and provincial sector departments in Stellenbosch. The purpose of this meeting was to ensure joint planning for the IDP of the Cape Winelands District and local municipalities, which assists in strategy formulation for the region. It serves in a 'cleaning house' capacity for transversal issues of development and planning. Such meetings afford municipalities, community organisations and provincial departments the opportunity to share and communicate information on their current activities and thus facilitates intergovernmental planning and budgeting.

Due to the COVID-19 pandemic, the IDP/Budget meetings scheduled for April and May 2020 had to be cancelled. Municipalities invented various ways for public input so that the community could still participate in this process.

DEADLINE EXTENDED FOR PUBLIC COMMENT

The CWDM has extended their deadline for public comments on the draft third review of the IDP and the 2020/2021 to 2022/2023 Multi-year MTRF and SDBIP to Wednesday, 20 May 2020 at 12:00.

The IDP is the product of the integrated development planning process that guides and informs all activities and decision making in a municipality for five (5) years in terms of Chapter 5 of the Local Government Municipal Systems Act, 2000. It is subject to an annual review process to ensure the improvement of service delivery and the effectiveness of the administration of the municipality.

Send your comments to ldp.budget@capewinelands.gov.za

Due to the coronavirus/Covid-19 no public gatherings thus, no public participation meetings will be held. All of the above mentioned documents are currently available on the CWDM website at www.capewinelands.gov.za, and all documents will be available at our various offices after the lockdown.

PUBLIC MEETINGS

Communication, participation and forums

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

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



WARD COMMITTEES

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

| PUBLIC MEETINGS | | | | | | |
|--------------------------------------|---|--|---|--|-----------------------------------|---|
| Nature of the meeting | Date of the event | Number of participating Councillors | Number of participating municipal administrators | Number of participating community members | Issues addressed (Yes /No) | Date and manner of feedback to community |
| Cape Winelands District Municipality | 18 November 2019 | 10 | 5 | 78 | Yes | Same day and some through correspondence |
| | 25 November 2019 | 9 | 3 | 90 | | |
| Stellenbosch Municipality | 04 September 2019 – 26 September 2019 | 22 | 158 | 1217 | Yes | Same day and some through correspondence |
| | April 2020 – No Public Participation engagements were held due to the national COVID-19 lockdown. In order to obtain inputs from the community, the municipality conducted online presentations and utilised the IDP e-mail address, Facebook, WhatsApp and citizen App | | | | | |
| Drakenstein Municipality | 15 September 2019 – 10 October 2019 | 36 | 14 | 330 (ward committee members) | Yes | Same day and some through correspondence |
| | April 2020 – Due to the national COVID-19 lockdown, public participation could not take place. The municipality utilised the IDP e-mail address, Facebook and SMSs to obtain input from the community. | | | | | |
| Langeberg Municipality | 12 September 2019 – 16 October 2019 | 14 | 38 | 79 | Partially | Same day and some through correspondence |
| | April 2020 – No meetings were held due to the COVID-19 pandemic. However, the municipality made use of social media, SMS and e-mail to obtain inputs on the draft budget and IDP. | | | | | |
| Breede Valley Municipality | October – November 2019 | 21 | 60 | 450 | Yes | Same day and some through correspondence |
| | Due to the COVID-19 pandemic and the subsequent regulations issued in terms of public gatherings, no physical engagements were scheduled during March/April 2020. All engagements during this period occurred electronically (via the municipal website, an interactive video published on the municipality's social media platforms as well as municipal e-mail addresses – for the purpose of submitting inputs). | | | | | |

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

IDP PARTICIPATION AND ALIGNMENT

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

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

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

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

RISK MANAGEMENT

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

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

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

During the 2019/2020 financial year, the unit was responsible for risk management awareness, facilitating quarterly reviews and updating risk registers. Although the Deputy Director: Performance and Risk Management is responsible for the coordination of risk management in the organisation, management took ownership of risks and the mitigation thereof.

ANTI-CORRUPTION AND FRAUD

Fraud and Anti-Corruption Strategy

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

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

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

SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management (SCM)

Prescribed SCM processes and procedures are in place and maintained, as per Sections 110 to 119 of the MFMA and the Supply Chain Management Regulations, 2005. Procurement plans are submitted by service departments to improve demand management. This enables and supports the SCM unit to maintain and execute the municipality's demand plan, which ultimately contributes to effective service delivery. The district municipality endeavours to maintain an effective supplier database to acquire the necessary goods and services, however, it is reliant on the cooperation of suppliers.

The implementation of the Central Supplier Database (CSD) of National Treasury has had a positive effect on suppliers who are more responsive to the municipality's requests for information and documentation.

COMMENT ON BY-LAWS

No new by-laws were promulgated.

DRAFT

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

3.1 INTRODUCTION

3.1.1 Predetermined objectives

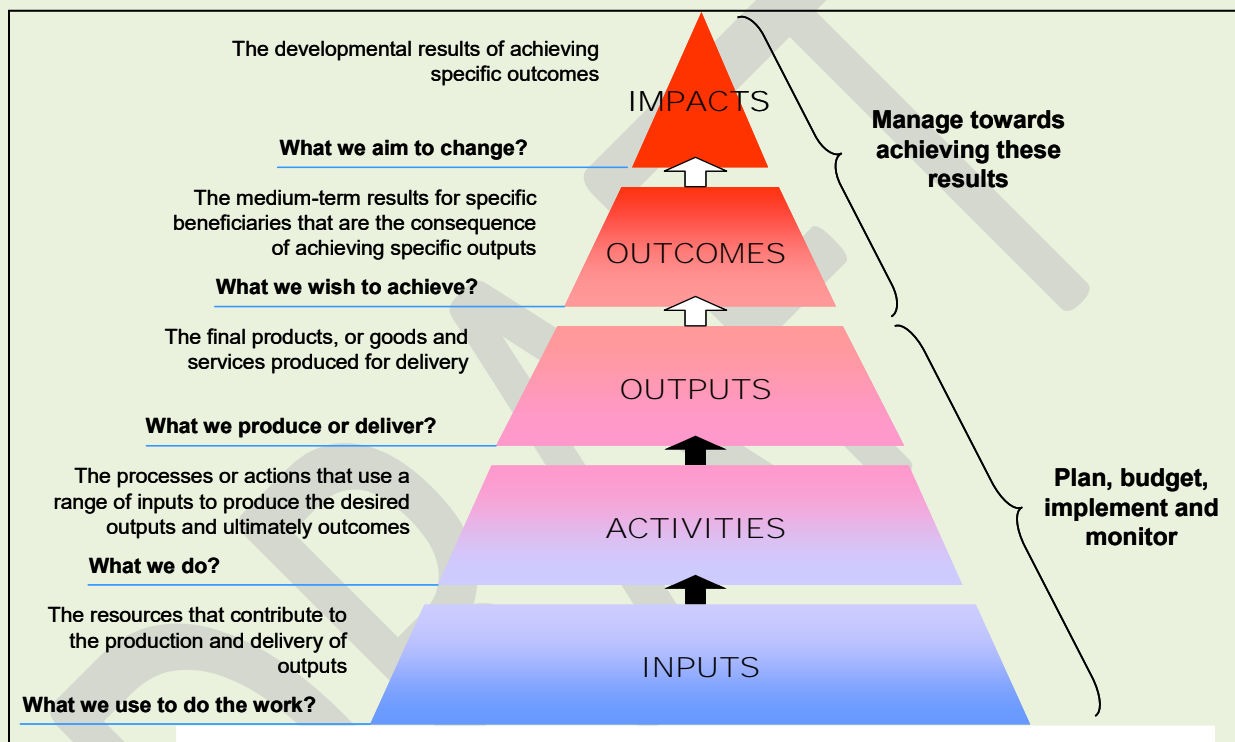
As a point of departure, it is the duty of a municipality to establish, develop and maintain a sound performance management system as prescribed in terms of Sections 38 to 40 of the MSA. In terms of Section 46(1)(a)-(c) of the MSA, a municipality must prepare for each financial year a performance report reflecting (a) the performance of the municipality and of each external service provider during that financial year; (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and (c) measures taken to improve performance. The core components that underscore the performance management system established by the municipality, as prescribed by Section 41 of the MSA, are integral to the information reported upon by the municipality. Furthermore, the reflection of the key performance indicators and performance targets in the Integrated Development Plan is prescribed in terms of Section 26(i) and is aligned with the predetermined objectives as reflected in the approved 2017/2018 – 2021/22 IDP.

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

| No. | Strategic objective | No. | Predetermined objectives |
|-----|--|-----|--|
| 1. | Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District. | 1.1 | Provide a comprehensive and equitable MHS including AQM throughout the CWDM. |
| | | 1.2 | Ensure coordination of multi-disciplinary 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 which 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. 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 their designated mandate.



3.1.3 Planning, budgeting and reporting

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

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

3.1.4 Financial performance per strategic objective

The tables detailed below provide an overview of the operating, capital, and project budget amounts at an SO level for 2018/2019 (budget and actual); 2019/2020 (budget and actual) and 2020/2021 (budget).

| Operating Budget | | | | | |
|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| SO | 2018/2019 Budget | 2018/2019 Actual | 2019/2020 Budget | 2019/2020 Actual | 2020/2021 Budget |
| 1 | R 136 928 051 | R 123 222 111 | R 144 901 838 | R 136 303 535 | R 144 212 811 |
| 2 | R 172 679 582 | R 143 308 592 | R 168 976 191 | R 134 063 430 | R 167 207 849 |
| 3 | R 123 476 581 | R 93 534 029 | R 122 433 541 | R 98 476 742 | R 126 201 113 |
| Total | R 433 084 214 | R 360 064 732 | R 436 311 570 | R 368 843 707 | R 437 621 773 |

| Capital Budget | | | | | |
|----------------|---------------------|--------------------|--------------------|-------------------|--------------------|
| SO | 2018/2019 Budget | 2018/2019 Actual | 2019/2020 Budget | 2019/2020 Actual | 2020/2021 Budget |
| 1 | R 6 199 494 | R5 883 358 | R7 596 375 | R6 342 575 | R16 491 311 |
| 2 | R 8 260 395 | R6 409 804 | R2 731 413 | R722 247 | R9 738 600 |
| 3 | R 2 353 071 | R1 868 696 | R621 040 | R525 948 | R3 661 060 |
| Total | R 16 812 960 | R14 161 858 | R10 948 828 | R7 590 770 | R29 890 971 |

| Project Budget | | | | | |
|----------------|---------------------|---------------------|-------------------|--------------------|--------------------|
| SO | 2018/2019 Budget | 2018/2019 Actual | 2019/2020 Budget | 2019/2020 Actual | 2020/2021 Budget |
| 1 | R 17 430 497 | R 16 546 233 | R 10 518 188 | R 9 127 915 | R17 701 207 |
| 2 | R 8 632 388 | R 7 232 659 | R 1 954 956 | R 1 449 478 | R7 640 600 |
| 3 | - | - | - | - | - |
| Total | R 26 062 885 | R 23 778 892 | 12 473 144 | R10 577 393 | R25 341 807 |

3.2 SUMMARY OF CAPE WINELANDS ORGANISATIONAL KEY PERFORMANCE INDICATORS

2018/2019

| SO | Original number of KPIs | Number of KPIs post-adjustment | Zero performance | Under-performance | Achieved and overachieved | Delivery as a percentage 2018/19 |
|--------------|-------------------------|--------------------------------|------------------|-------------------|---------------------------|----------------------------------|
| 1 | 13 | 13 | 0 | 1 | 12 | 92% |
| 2 | 12 | 11 | 0 | 2 | 9 | 82% |
| 3 | 14 | 14 | 1 | 2 | 11 | 79% |
| Total | 39 | 38 | 1 | 5 | 32 | 84% |

2019/2020

| SO | Original number of KPIs | Number of KPIs post-adjustment | Zero performance | Under-performance | Achieved and overachieved | Delivery as a percentage 2019/2020 |
|--------------|-------------------------|--------------------------------|------------------|-------------------|---------------------------|------------------------------------|
| 1 | 12 | 11 | 0 | 1 | 10 | 91% |
| 2 | 12 | 9 | 0 | 4 | 5 | 56% |
| 3 | 14 | 13 | 0 | 2 | 11 | 85% |
| Total | 38 | 33 | 0 | 7 | 26 | 79% |

3.2.1 Cape Winelands District organisational key performance indicators

The organisational KPIs were revised during the normal adjustment budget which took place in February, as well as the special adjustment budget that was held in June 2020 following the COVID-19 pandemic. During the respective adjustment budgets, the following adjustments were made:

- During the normal adjustment budget held in February –
 - Various notarial amendments were made pertaining to the diction employed in both the outcome indicators, as well as the KPIs. Such amendments related to clarification and interpretation purposes.
 - Certain targets were adjusted to zero due to the BAC composition matter, as it was readily inferred that reaching the initial target was no longer feasible given the time required to remedy the aforementioned issue.
 - Quarterly performance targets were amended to align with adjusted budget figures (where applicable).
- During the special adjustment budget held in June –
 - Due to the impact of COVID-19 and the regulatory lockdown on operations, certain targets required adjustment as it was readily inferred that achievement of set targets would be significantly impeded by the regulations in place.
 - Certain targets were adjusted to zero due to the foreseen impact of the COVID-19 lockdown regulations on operations.

3.2.2 Cape Winelands District detailed organisational key performance indicators

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

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

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

Strategic Objective 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

| CWDM PDO | PDO no. | Outcome Indicator | KPI no. | Key Performance Indicator | 2018/2019 Target | 2018/2019 Actual | 2019/2020 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 all 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 | - | - | |
| | | To administer an effective environmental health management system in order to achieve the environmental health objectives set. | | | - | - | 12 | 12 | Annual target achieved. |
| | 1.1.2 | To ensure effective environmental pollution control via the identification, evaluation, monitoring and prevention of the pollution of air. | 1.1.2.1 | Submission of the State of Air report to the Western Cape Provincial Government. | 1 | 1 | - | - | |
| | | To facilitate effective environmental pollution control through identification, evaluation and/or monitoring to prevent air pollution. | | | - | - | 1 | 1 | Annual target achieved. |
| 1.1.3 | To improve the livelihoods of rural dwellers. | 1.1.3.1 | Number of water and sanitation subsidies granted. | 12 | 16 | - | - | | |

| | | | | | | | | | |
|-----|-------|---|---------|---|----|----|----|----|---|
| | | To improve the livelihoods of citizens in the Cape Winelands District. | | Number of water and/or sanitation subsidies granted to citizens in the Cape Winelands District. | - | - | 21 | 25 | <u>Overachievement:</u> The MHS division was able to assist more landowners and pay out more subsidies to approved landowners within the allocated budget than originally anticipated. |
| 1.2 | 1.2.1 | To ensure an effective Disaster Management division in order to achieve all disaster management objectives set. | 1.2.1.1 | Review Corporate Disaster Management Plan. Submitted to Council for approval. | 1 | 1 | - | - | |
| | | To coordinate an effective disaster management division in order to achieve the disaster management objectives set. | | Number of bi-annual Disaster Management Advisory Forums held. | - | - | 2 | 2 | Annual target achieved. |
| 1.3 | 1.3.1 | Effective planning and coordination of specialised firefighting services. | 1.3.1.1 | Pre- and post-fire season reports submitted to Council for approval. | 2 | 2 | - | - | |
| | | | | Pre-fire season and post-fire season reports submitted to Council for consideration for approval. | - | - | 2 | 2 | Annual target achieved. |
| | 1.3.2 | Build firefighting capacity. | 1.3.2.1 | Number of fire officials trained by the CWDM Fire Services Academy. | 60 | 54 | - | - | |

| | | | | | | | | | |
|------------|--------------|--|----------------|--|-------|----------|----|----|--|
| | | | | Number of officials trained by the CWDM Fire Services Academy. | - | - | 30 | 30 | Annual target achieved. |
| | 1.3.3 | To ensure an effective fire services division in order to achieve all fire services objectives set – fFire prevention. | 1.3.3.1 | Area in hectares of fire breaks created during the financial year. | 30 | 36.99 | - | - | |
| 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 | Review of the CWDM Spatial Development Framework (SDF) submitted to Council for approval. | 1 | 1 | - | - | |
| | | To fulfil a coordinating role in terms of town and regional planning within the Cape Winelands District. | | Annual review of CWDM's SDF, submitted to Council for consideration for approval. | - | - | 0 | 0 | Target adjusted to 0 at Adjustment Budget. |
| 1.4 | 1.4.2 | To ensure effective environmental management in order to achieve all objectives set | 1.4.2.1 | Number of hectares cleared through the EPWP Invasive Alien Management & River Rehabilitation Programmes. | 1 800 | 3 212.68 | - | - | |

| | | | | | | | | |
|--------------|--|----------------|--|---|---|-------|-------|---|
| | Implement environmental management activities to achieve environmental sustainability. | | Number of hectares cleared through the EPWP Invasive Alien Vegetation Management Project. | - | - | 1 150 | 1 166 | <u>Overachievement:</u> Overachievement due to the clearing of follow-up sites. These sites are a combination of smaller, previously cleared sites that are combined into larger sites for effective clearing. |
| 1.4.3 | To fulfil a coordination role in terms of Economic and Tourism Development within the Cape Winelands District. | 1.4.3.1 | Review the CWDM Local Economic & Social Development Strategy, submitted to Council for approval. | 1 | 1 | - | - | |

| | | | | | | | | |
|--|--|---------|---|---|---|---|---|---|
| | | | | | | | | |
| | To fulfil a coordinating role in terms of Economic and Tourism Development within the Cape Winelands District. | | Number of LTA Forums coordinated by the CWDM. | - | - | 5 | 4 | <p><u>Under-achievement:</u></p> <p>The quarter three meeting was cancelled due to the unprecedented impact of the COVID-19 pandemic. The municipality cancelled several meetings in order to effectively gear toward remote working and necessary health and safety regulations.</p> <p>Going forward, all meetings that cannot be attended in person will be facilitated virtually.</p> |
| | To fulfil a coordination role in terms of Economic and Tourism Development within the Cape Winelands District. | | Number of LED Forum Meetings held by CWDM. | 4 | 4 | - | - | |
| | To fulfil a coordinating role in terms of Economic and Tourism Development within the Cape Winelands District. | 1.4.3.2 | Number of LED Forums coordinated by the CWDM. | - | - | 3 | 3 | Annual target achieved. |

| | | | | | | | | | |
|-----|-------|--|---------|--|----|----|----|----|-------------------------|
| 1.5 | 1.5.1 | To improve the livelihoods of citizens in the CWDM area. | 1.5.1.1 | Number of ECD centres supported by the CWDM. | 50 | 82 | - | - | |
| | | To improve the livelihoods of citizens in the Cape Winelands District. | | | - | - | 20 | 20 | Annual target achieved. |
| | | To improve the livelihoods of citizens in the CWDM area. | 1.5.1.2 | Number of youth on skills development programme. | 30 | 32 | - | - | |
| | | To improve the livelihoods of citizens in the Cape Winelands District. | | | - | - | 15 | 15 | Annual target achieved. |

| Strategic Objective 2: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
| | | | | | | | Annual Target | Annual Actual | Comments |
| 2.1 | 2.1.1 | Support the maintenance of proclaimed roads in the district on an agency basis for the provincial roads authority. | 2.1.1.1 | Conclude the annual MOA or addendum to the annual MOA with WCG. | 1 | 1 | - | - | |
| | | Rollout and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the Western Cape Department of Transport and Public Works (WCG: DT&PW) | | Conclude the annual MOA or addendum with WCG. | - | - | 1 | 1 | Annual target achieved |
| | | Support the maintenance of proclaimed roads in the district on an agency basis for the provincial roads authority. | 2.1.1.2 | Kilometres of roads re-sealed. | 25 | 30.27 | - | - | |
| | | Rollout and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the WCG: DT&PW. | | | - | - | 15 | 36.49 | <u>Overachievement:</u> Additional resources were mobilised, which resulted in an unanticipated overachievement in the output generated. |

| | | | | | | | | |
|--|--|---------|-----------------------------|-------|----------|-------|---------|--|
| | Support the maintenance of proclaimed roads in the district on an agency basis for the provincial roads authority. | | | 5 000 | 5 022.92 | - | - | |
| | Rollout and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the WCG: DT&PW | 2.1.1.3 | Kilometres of roads bladed. | | | 4 100 | 4019.33 | <p>Underachievement:</p> <p>The target for the financial year had to be adjusted during the Special Adjustments Budget as the municipality geared toward the anticipated impact of the COVID-19 pandemic and the resultant lockdown. However, the municipality could not have reasonably foreseen the impact that COVID-19 would have on their operations and therefore an under-achievement resulted.</p> <p>Going forward, year-on-year, the municipality will undertake to build on prior experiences and further define the practicable</p> |

| | | | | | | | | | |
|--|--|---|---------|-----------------------------------|----|-------|---|------|---|
| | | | | | | | | | parameters within which to set their target for the given KPI. |
| | | Support the maintenance of proclaimed roads in the district on an agency basis for the provincial roads authority. | | | 20 | 15.24 | - | - | |
| | | Rollout and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the WCG: DT&PW. | 2.1.1.4 | Kilometres of roads re-gravelled. | | | 6 | 5.94 | <p><u>Underachievement</u></p> <p>The initial target set was achieved in quarters two and four, however due to the impact of COVID-19 and lockdown regulations on the municipality's operations, the project under way could no longer be completed by financial year-end and the target was consequently adjusted downward in the Special Adjustments Budget held in June 2020.</p> <p>Going forward, with the set project resuming, the targets set for</p> |

| | | | | | | | | | |
|-----|-------|--|---------|---|---|---|---|---|--|
| | | | | | | | | | 2020/21 financial year will accommodate such achievement. |
| 2.2 | 2.2.1 | Enhance the planning of infrastructure services in the district. | 2.2.1.1 | Complete the 4 th Generation Integrated Waste Management Plan and submit to Council for approval. | 0 | 0 | - | - | |
| | | Coordinate and improve the planning of infrastructure services in the Cape Winelands District. | | Annual review, and alignment with review outcome, of the IWMP and submit to Council for consideration for approval. | - | - | 0 | 0 | Target adjusted to 0 at Adjustment Budget. |
| 2.3 | 2.3.1 | Improved pedestrian safety throughout the Cape Winelands District. | 2.3.1.1 | Review District Integrated Transport Plan and submit to Council for approval. | 1 | 1 | - | - | |
| | | Improve pedestrian safety throughout the Cape Winelands District. | | Annual review, and alignment with review outcome, of the DITP and submit to Council for consideration for approval. | - | - | 0 | 1 | <u>Overachievement:</u> Target adjusted to 0 at Adjustment Budget. However, due to improved working relation with various minibus taxi associations, no additional meetings were required. Therefore, the process could be |

| | | | | | | | | | |
|-----|-------|--|---------|--|-----|--------|-----|---------|--|
| | | | | | | | | | concluded prior to the final Council meeting for the 2019/2020 financial year. The DITP was included in the agenda for June 2020 and thus an actual of 1 was achieved. |
| | | Improved pedestrian safety throughout the Cape Winelands District. | 2.3.1.2 | Number of sidewalks and/or embayments and/or bus shelters completed/upgraded. | 23 | 23 | - | - | |
| | | Improve pedestrian safety throughout the Cape Winelands District. | | Number of sidewalks and/or embayments and/or bus shelters completed or upgraded. | - | - | 0 | 0 | Target adjusted to 0 at Adjustment Budget. |
| 2.4 | 2.4.1 | To improve infrastructure services for rural dwellers throughout the area of the Cape Winelands District Municipality. | 2.4.1.1 | % of project budget spent on rural projects (Clearing road reserves, provision of water & sanitation to schools, renewable infrastructure and upgrade rural sport facilities). | 95% | 94.21% | - | - | |
| | | To improve infrastructure services for citizens in the Cape Winelands District. | | Percentage of project budget spent on rural projects. | - | - | 90% | 74.60 % | <u>Underachievement:</u> As a result of the impact of the COVID-19 pandemic and the regulatory lockdown imposed, there was a delay in the |

| | | | | | | | | | |
|--------------|--|----------------|---|-----|-----|---|---|--|--|
| | | | | | | | | | <p>finalisation of the renewable energy project before financial year-end.</p> <p>Once the COVID-19 restrictions ease, implementation will continue. However, as the allocation for the units was done for a specific financial year, those units not installed during the 2019/2020 financial year will have to be approved again by Council for implementation during the next financial year, i.e. 2020/2021.</p> |
| 2.4.2 | To improve the livelihoods of rural dwellers. | 2.4.2.1 | Number of schools assisted with ablution facilities and/or water supply. | 27 | 25 | - | - | | |
| | To improve the livelihoods of citizens in the Cape Winelands District. | | Number of schools assisted with ablution facilities and/or improved water supply. | - | - | 0 | 0 | Target adjusted to 0 at Adjustment Budget. | |
| | To improve the livelihoods of rural dwellers. | 2.4.2.2 | Number of solar geysers installed. | 200 | 220 | - | - | | |

| | | | | | | | | | |
|------------|--------------|--|----------------|---|----|----|-----|-----|---|
| | | To improve the livelihoods of citizens in the Cape Winelands District. | | | - | - | 100 | 100 | Annual target achieved. |
| | | To improve the livelihoods of rural dwellers. | | Number of sport facilities upgraded/completed. | 12 | 13 | - | - | |
| | | To improve the livelihoods of citizens in the Cape Winelands District. | 2.4.2.3 | Number of sport facilities upgraded or completed and/or supplied with equipment. | - | - | 6 | 1 | <u>Underachievement:</u> The AGSA audit queries raised relating to the BAC composition impacted the awarding and implementation process in 2019/20 financial year. Awards have subsequently been made. Therefore, the matter will not persist going forward. |
| 2.5 | | To improve ICT governance in the Cape Winelands District Municipality. | | Review the ICT Governance Framework, submitted to Council for approval. | 1 | 1 | - | - | |
| | 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 | Annual target achieved. |

Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
|----------|---------|---|---------|--|------------------|------------------|---|---------------|-------------------------|
| | | | | | | | Annual Target | Annual Actual | Comments |
| 3.1 | 3.1.1 | To ensure that a budget 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 | - | - | |
| | | To compile a budget that is available before the start of the financial year. | | | - | - | 1 | 1 | Annual target achieved. |
| | 3.1.2 | Transparent and accountable reporting to all stakeholders. | 3.1.2.1 | Compilation of a mid-year assessment (Section 72 report), submitted to Council by 31 January. | 1 | 1 | 1 | 1 | Annual target achieved. |
| | 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 Supply Chain management (within 30 days after financial year-end). | 1 | 1 | - | - | Annual target achieved. |
| | | | | Submit to Council a report on the implementation of SCM (within 30 days after financial year-end). | - | - | 1 | 1 | |
| | 3.1.4 | To ensure the financial viability of the CWDM through sound financial management practices. | 3.1.4.1 | Maintaining a sound liquidity ratio as at financial year-end. | 3.8:1 | 18.5:1 | - | - | |

Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
|----------|---------|--|---------|--|------------------|------------------|---|---------------|---|
| | | | | | | | Annual Target | Annual Actual | Comments |
| | | To promote the financial viability of the CWDM through sound financial management practices. | | | | | 3.8:1 | 15.17:1 | <u>Overachievement:</u> The actual achieved is significantly above the ideal liquidity ration. This is mainly influenced by reserves maintained for future capital projects, i.e. regional landfill sites. The liquidity ratio target will remain dependent upon the utilisation of the reserve funds. |
| | | To ensure the financial viability of the CWDM through sound financial management practices. | | | 2.8:1 | 0.31:1 | - | - | |
| | | To promote the financial viability of the CWDM through sound financial management practices. | 3.1.4.2 | Maintaining a sound solvency ratio as at financial year-end. | | | 2.8:1 | 4.92:1 | <u>Overachievement:</u> A reduction in expenditure resulted due to the impact of COVID-19 on operations, which |

Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
|----------|---------|---|---------|---|------------------|------------------|---|---------------|---|
| | | | | | | | Annual Target | Annual Actual | Comments |
| | | | | | | | | | led to an increase in the surplus. Subsequently, an increase in invested funds occurred. |
| 3.2 | 3.2.1 | To ensure well-functional statutory and other committees. | 3.2.1.1 | Number of Council meetings that are supported administratively. | 6 | 12 | - | - | |
| | | To coordinate functional statutory and other committees. | 3.2.1.1 | Number of Council meetings that are supported administratively. | - | - | 7 | 10 | <u>Overachievement:</u> Three additional meetings were required to address ad hoc matters that arose. These include the Special Adjustments Budget required amidst the COVID-19 pandemic, as well as a meeting held to write-off irrecoverable debt. |
| | | To ensure well functional statutory and other committees. | 3.2.1.2 | Number of MAYCO meetings that are | 8 | 8 | - | - | |

| Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
| | | | | | | | Annual Target | Annual Actual | Comments |
| | | To coordinate functional statutory and other committees. | | supported administratively | - | - | 9 | 10 | <u>Overachievement:</u> An additional Special MayCo meeting was held on 19 February 2020 to discuss the 2019/2020 budget adjustments. |
| 3.3 | 3.3.1 | To ensure a skilled and competent workforce in order to realise organisational strategic objectives. | 3.3.1.1 | Number of Workplace Skills Plan submissions to the LGSETA by 30 April. | 1 | 1 | - | - | |
| | | To capacitate a skilled and competent workforce in order to realise organisational SOs. | | Number of WSP submissions to the LGSETA. | - | - | 1 | 1 | Annual target achieved. |
| | | To ensure a skilled and competent workforce in order to realise organisational strategic objectives. | 3.3.1.2 | The percentage of a municipality's training budget actually spent on implementing its workplace skills plan. | 95% | 98% | - | - | |
| | | To capacitate a skilled and competent workforce in order to | | The percentage of CWDM's training budget actually spent | - | - | 90% | 92% | <u>Overachievement:</u> Additional machinery training |

Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
|----------|---------|--|---------|--|------------------|------------------|---|---------------|---|
| | | | | | | | Annual Target | Annual Actual | Comments |
| | | realise organisational SOs. | | on implementing its WSP. | | | | | for new appointments within the Roads Division could be affected with the available budget. |
| | 3.3.2 | Improved Labour Relations and informed workforce. | 3.3.2.1 | Number of Employment Equity Report submissions to the Department of Labour by 15 January. | 1 | 1 | - | - | |
| | | Facilitate an administrative function in so far as it relates to labour relations. | | Number of Employment Equity report submissions to the Department of Labour. | - | - | 1 | 1 | Annual target achieved. |
| | 3.3.3 | To ensure that capital funds received are spent, for improved service delivery. | 3.3.3.1 | The percentage of the municipality's capital budget actually spent by the end of the financial year. | 95% | 84.5% | - | - | |

Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
|----------|---------|--|---------|--|------------------|------------------|---|---------------|--|
| | | | | | | | Annual Target | Annual Actual | Comments |
| | | To manage the capital funds spent in relation to the receipt thereof for improved service delivery | | The percentage of CWDM's capital budget actually spent by the end of the financial year. | | | 90% | 69.33% | <p><u>Underachievement:</u></p> <p>As a point of departure, the municipality has not spent approximately 30% of the total capital budget. Of this 30%, 28% is comprised of the seven highest value capital items. The audit queries relating to the BAC composition impeded the municipality's ability to procure these items within the 2019/20 financial year.</p> <p>Going forward, the municipality aims to develop and implement an Overview Report on Capital Demand</p> |

Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
|----------|---------|--|---------|--|------------------|------------------|---|---------------|--|
| | | | | | | | Annual Target | Annual Actual | Comments |
| | | | | | | | | | Management Progress to illustrate risk ranking that serves to identify early warning signals to prompt timeous interventions and re-prioritisation. Also, during monthly budget meetings with line departments, demand management progress was reinforced. |
| 3.3.4 | | To ensure a corruption-free CWDM. | 3.3.4.1 | Establishment of an externally managed corruption hotline | 1 | 0 | - | - | |
| | | To promote a corruption-free CWDM. | | | - | - | 0 | 0 | Target adjusted to 0 at Adjustment Budget. |
| 3.3.5 | | To improve the livelihoods of citizens in the CWDM area. | 3.3.5.1 | Number of work opportunities created (in person days) through the municipality's various initiatives | 9 200 | 18 129 | - | - | |

Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
|----------|---------|--|--|---|---|------------------|---|---------------|--|
| | | | | | | | Annual Target | Annual Actual | Comments |
| | | | | Number of work opportunities created (in person days) through CWDM's various initiatives. | - | - | 10 000 | 15 591 | <u>Overachievement:</u> Overachievement due to more work opportunities created as more projects were implemented and reported upon. |
| | 3.3.6 | To transform the workforce of the municipality in terms of representation. | | Number of people from employment equity target groups employed in the 3 highest levels of management in compliance with the municipality's approved employment equity plan. | 90% (of appointments) | 90% | - | - | |
| | | 3.3.6.1 | To transform the workforce of the CWDM in terms of representation. | 3.3.6.1 | Number of people from employment equity target groups employed in the 3 highest levels of management in compliance with CWDM's approved Employment Equity Plan. | - | - | 90% | 66.67 % |

| Strategic Objective 3: 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 | 2018/2019 Target | 2018/2019 Actual | 2019/2020 Annual Target and Performance | | |
| | | | | | | | Annual Target | Annual Actual | Comments |
| | | | | | | | | | that were concluded and when offers were made to candidates, one candidate from the underrepresented designated group declined, resulting in advertising nationally for a 2 nd time. Qualified and ECSA registered engineers remain a scarce skill. The CWDM is in the process of consultation in respect of the draft Succession Planning and Mentoring and Coaching Policy to capacitate and develop internal employees from the designated groups. |

3.3 NATIONAL KEY PERFORMANCE AREAS 2019/2020

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

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

3.3.1 The CWDM contributed to the National Key Performance Areas as follows:

| KPA 1: Service Delivery and Infrastructure Development | | | |
|---|-------------|------------------|------------------|
| Roads | Unit | 2018/2019 | 2019/2020 |
| Kilometres of road responsible for (provincial de-proclamation and maintenance contracts) | Kilometre | 3 601 | 3 601 |
| Kilometres of roads maintained and rehabilitated (provincial de-proclamation and maintenance contracts) | Kilometre | 3 601 | 3 601 |
| Total amount of operating budget allocated to road maintenance | Rand | R 128 229 878 | R 127 062 227 |
| Total amount of operating budget spent on road maintenance | Rand | R 109 988 587 | R 104 721 426 |
| KPA 2: Local Economic Development | | | |
| Economic growth | Unit | 2018/2019 | 2019/2020 |
| Total rand value of contracts awarded | Rand | R 142 437 126 | R 28 067 266 |
| Total rand value of contracts awarded to SMMEs | Rand | R 135 040 698 | R 106 654 434 |
| Total rand value of contracts awarded to BEE suppliers | Rand | R 68 660 377 | R 50 948 506 |
| Total rand value of contracts awarded to women | Rand | R 43 114 862 | R 25 161 254 |
| KPA 3: Municipal Financial Viability and Management | | | |
| Financial viability | Unit | 2018/2019 | 2019/2020 |
| Total operating transfers (grant and subsidy income) | Rand | R 231 988 667 | R 239 156 653 |
| Total operating expenditure | Rand | R 346 295 728 | R 356 398 721 |
| Capital budget spend in year | Rand | R 14 161 858 | R7 590 770 |
| Council approved capital budget in year | Rand | R 16 812 960 | R10 948 828 |
| Total outstanding customer debt as at 30 June | Rand | R 34 770 | R 74 781 |
| Current assets as at 30 June | Rand | R 691 583 900 | R 749 789 260 |
| Current liabilities as at 30 June | Rand | R 38 633 952 | R 49 439 308 |
| Total revenue | Rand | R 398 608 615 | R 402 687 636 |

| | | | |
|--|-------------|------------------|------------------|
| Revenue from grants | Rand | R 231 988 667 | R 239 156 653 |
| Debt service payments (Finance Charges) | Rand | R 0 | R 0 |
| Salaries budget (including benefits) | Rand | R 213 772 405 | R 225 514 648 |
| Total operating budget | Rand | R 433 084 214 | R 436 311 570 |
| Municipal systems improvement grant (MSIG) | Rand | R 0 | R 0 |
| Amount of this allocation utilised | Rand | R 0 | R 162 |
| 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 | 2018/2019 | 2019/2020 |
| Number of posts in the organogram as at 30 June | Number | 494 | 493 |
| Number of posts in the organogram that were filled as at 30 June | Number | 406 | 420 |
| Total number of staff employed in the municipality as at 30 June | Number | 428 | 451 |
| Total number of Section 57 staff employed in the municipality as at 30 June | Number | 4 | 4 |
| Section 57 posts vacant for more than 3 months in the financial year ending 30 June | Number | 0 | 1 |
| Percentage of municipality's budget spent on implementing its workplace skills plan | Percentage | 0.26% | 0.09% |
| Employment equity | Unit | 2018/2019 | 2019/2020 |
| Number of Section 57 staff who were classified as Black (African, Indian and coloured) as at 30 June | Number | 3 | 3 |
| Number of Section 57 staff who were women as at 30 June | Number | 1 | 1 |
| Number of staff (out of total number of staff) in the municipality who were women as at 30 June | Number | 155 | 141 |
| Number of staff (out of total number of staff) in the municipality who were classified as disabled as at 30 June | Number | 8 | 8 |
| KPA 5: Good Governance and Public Participation | | | |
| Council meetings | Unit | 2018/2019 | 2019/2020 |
| How many council meetings were held in the financial year? | Number | 12 | 10 |
| How many open council meetings were held in the financial year? | Number | 10 | 10 |
| Corporate governance | Unit | 2018/2019 | 2019/2020 |
| Number of Section 57 staff dismissed | Number | 0 | 0 |
| Number of Section 57 staff suspended | Number | 1 | 1 |
| Number of Section 57 staff resigned | Number | 0 | 0 |

3.4 PERFORMANCE IMPROVEMENT MEASURES

The followings actions were taken throughout the 2019/2020 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, which were uploaded on the Collaborator electronic record management system;
- Performance contracts were concluded with identified officials;
- On a quarterly basis, the Internal Audit unit performed testing of organisational key performance indicators and/or projects to verify the quality of data and evidence of performance;
- Internal Audit reports were submitted to Management, as well as other Senior Management involved, for response and action to address any identified shortcomings;
- These Internal Audit reports also served before the Audit Committee for oversight, where after the Audit Committee's quarterly reports served before Council; and
- An electronic compliance register also assisted to monitor the compliance with various pieces of legislation relating to performance management.

3.4.1 PMS Audit Focus for 2020/2021

Based on the work performed during the 2019/20 financial year, the focus for the 2020/2021 financial year will be as follows:

- Quarter 1: Comprehensive review of organisational SDBIP KPIs, i.e. SOs 1, 2 and 3.
- Quarter 2: Comprehensive review of organisational SDBIP KPIs, i.e. SOs 1, 2 and 3.
- Quarter 3: Comprehensive review of organisational SDBIP KPIs, i.e. SOs 1, 2 and 3
- Quarter 4: Comprehensive review and alignment of organisational SDBIP KPIs, i.e. SO's 1, 2 and 3.

3.5 SUPPLIER PERFORMANCE

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

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

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

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

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

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

| Relevant Department/Division | Number of contracts | |
|--|---------------------|------------|
| | 2018/2019 | 2019/2020 |
| Community Development Services | 33 | 76 |
| Financial and Strategic Support Services | 38 | 100 |
| Technical Services | 112 | 131 |
| Office of the Municipal Manager | 2 | 10 |
| Grand total | 185 | 317 |

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

3.5.1 Quality of performance

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

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

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3.6 AG OUTCOMES FOR 2019/2020

During the last seven years (2013/2014; 2014/2015; 2105/2016; 2016/2017;2017/2018; 2018/2019 and 2019/2020) the municipality received clean audits. For the 2019/2020 year, the table below serves as a summary of the areas assessed as improved or unchanged:

| Main area | Sub-area | Movement from previous year | | | | | |
|--------------------------------------|---|----------------------------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|
| | | Financial statements | | Performance reporting | | Compliance | |
| | | Status of prior year (2018/2019) | Movement in status | Status of prior year (2018/2019) | Movement in status | Status of prior year (2018/2019) | Movement in status |
| Leadership | Effective leadership culture | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Leadership | Oversight responsibility | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Leadership | HR Management | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Leadership | Policies and Procedures | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Leadership | Audit action plans | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Leadership | IT Governance | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Not applicable | Not applicable |
| Financial and performance management | Proper record keeping | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Financial and performance management | Processing and reconciling controls | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Financial and performance management | Preparation of regular, accurate and complete financial and performance reports | Improvement required | Unchanged | Improvement required | Improved | Requisite controls in place | Unchanged |
| Financial and performance management | Review and monitor compliance with legislation | Requisite controls in place | Improved | Requisite controls in place | Unchanged | Requisite controls in place | Improved |
| Financial and performance management | Design and implement formal controls over information technology systems | Requisite controls in place | Improved | Requisite controls in place | Improved | Not applicable | Not applicable |
| Financial and performance management | IT system controls | Requisite controls in place | Improved | Requisite controls in place | Improved | Not applicable | Not applicable |
| Governance | Risk Management | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Governance | Internal Audit | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |
| Governance | Audit Committee | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged | Requisite controls in place | Unchanged |



In accordance with the Codes of Good Practice issued under Section 9(1) of the Broad-Based Black Economic Empowerment Act No 53 of 2003, as amended on 11 October 2013

This is to certify that

CAPE WINELANDS DISTRICT MUNICIPALITY

| | |
|--------------------------|---|
| COMPANY REGISTRATION NO: | N/A |
| VAT REGISTRATION NO: | 4700193495 |
| CLIENT VERIFICATION NO: | BE11389-100521 |
| ADDRESS : | 46 Alexander Street, Stellenbosch, 7599 |

Has a current overall Broad-Based BEE Status of

NON-COMPLIANT

In terms of the Amended General Code- Specialised Generic Scorecard (Gazette No: 38766)

| SCORECARD ELEMENT | ENTITY SCORE | MAXIMUM SCORE | VALIDATIONS | |
|---|--------------|---------------|--|----------|
| MANAGEMENT CONTROL | 16.80 | 20.00 | An Empowering Supplier | YES |
| SKILLS DEVELOPMENT | 0.10 | 25.00 | Black Owned percentage | N/A |
| ENTERPRISE AND SUPPLIER DEVELOPMENT | 31.91 | 50.00 | Black Women Owned Percentage | N/A |
| SOCIO-ECONOMIC DEVELOPMENT | 5.00 | 5.00 | Designated Group Supplier | NO |
| TOTAL | 53.81 | 100.00 | Black designated group percentage | 0.00% |
| PARTICIPATED IN Y.E.S | | NO | Black Youth percentage | 0.00% |
| ACHIEVED YES TARGET + 2.5% ABSORPTION | | NO | Black Disabled percentage | 0.00% |
| ACHIEVED YES TARGET + 5% ABSORPTION | | NO | Black Unemployed percentage | 0.00% |
| ACHIEVED 2 X YES TARGET + 5% ABSORPTION | | NO | Black People in Rural areas percentage | 0.00% |
| | | | Black Military Veterans percentage | 0.00% |
| | | | Principle Applied | FTP |
| | | | Exclusion Principle | NO |
| | | | Discounting Principle Applied | YES |
| | | | FINANCIAL YEAR END | JUN 2020 |

And a BEE Procurement Recognition Level of 0%

Period of Validity: 12 Months from Issue Date

Issue Date: 10-05-2021

Expiry Date: 09-05-2022

Hlumelo Mavume
Technical Signatory



BVA 038



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EMPOWERMENT HOUSE , 93 KOLBERG DRIVE , GLENVISTA
JOHANNESBURG SOUTH
2091
DIRECTORS : T NAIDOO & D RAO

VERIFIED RATING

Company Registration 2004/004257/07 VAT 4240214355

TECHNICAL SERVICES

COMPONENT A: BASIC SERVICES

This component includes the following services:

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

INTRODUCTION TO BASIC SERVICES

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

THE PROVISION OF WATER AND SANITATION SERVICES

INTRODUCTION TO WATER PROVISION

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

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

No construction projects for the 2019/2020 financial year realised as a result of the Bid Adjudication Committee that could not approve tenders, as well as the COVID-19 pandemic.

WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

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



COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

No construction projects for the 2019/2020 financial year realised as a result of the Bid Adjudication Committee that could not approve tenders, as well as the COVID-19 pandemic.

ELECTRICITY

INTRODUCTION TO ELECTRICITY



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

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The target for the 2019/2020 financial year was met and 100 units were installed during the year. This number is less than previous years as a result of COVID-19 pandemic. Landowners were unable to install warm water units during the last quarter of the financial year.

WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

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

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The Environmental Authorisation process was completed and a waste management licence was issued by the Department of Environmental Affairs for a regional landfill site. The appointment of consultants to conduct a Section 78 investigation to assess the best possible way in which to render the service will be done in the next financial year.

COMPONENT B: ROAD TRANSPORT



INTRODUCTION TO ROAD TRANSPORT

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

AGENCY FUNCTION

The agency function is 100% funded and funding transfers are governed by a financial agreement. It is expected that the CWDM performs this function with its own road staff. All plant and equipment are provided by the WCG: DT&PW.

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

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

The Agency Agreement with the WCG: DT&PW stipulates what is expected of the CWDM. The emphasis of the agency function is on road maintenance activities to assist the WCG with their important task of preserving their existing upgraded 6 485 km 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, regravelling, rehabilitation and reconstruction needs as reflected on the annually updated road and bridge infrastructure management systems.

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

Taking the above into account, the reality is that funding allocated by the national government to the provincial government to address all the requests from communities to upgrade or to attend to the technical regraveling needs of the approximately 25 245 km provincial gravel roads in the province is insufficient – the need thus outweighs the resource.

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

- 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 where all CWDM’s roads staff are registered against total cost per road maintenance activity per road;
- road projects regravel, reseal and upgrade per km per allocated budget per project; and
- regular quarterly meetings between senior technical officials from the five district municipalities and WCG: DT&PW to evaluate total spending and compare each district municipality’s cost per road maintenance activity per road.

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

| BUDGET ITEM | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL SPENDING |
|------------------------------------|------------------------|--------------------------|------------------------|
| Main and Divisional Roads Indirect | 101 354 395 | 97 854 150 | 84 193 002 |
| Roads Management | 9 347 078 | 9 345 523 | 8 456 392 |
| Roads Workshops | 9 183 441 | 9 665 011 | 8 364 808 |
| Plant | 10 100 000 | 10 350 000 | 7 352 941 |
| TOTAL | 129 984 914 | 127 214 486 | 108 368 143 |

The main reason for the under-expenditure on the total available budget for the 2019/2020 financial year was due to the effects of the lockdown period as a result of the COVID-19 pandemic during the last quarter of the year.

PUBLIC TRANSPORT

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

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

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

| Outcome | Projects | Targets | Achievement 2019/2020 |
|---|---|--|--|
| Improved mobility of citizens in the district | Review of the CWDM District Integrated Transport Plan | Improve public transport level of service rendered by the unregulated and privately funded minibus taxi industry | Completed the assessment of the functionality of the existing registered minibus taxi routes in the Drakenstein municipal area and the subsequent restructuring and rationalisation of these routes. Review adopted by Council on 25 June 2020. |
| Improved road safety | Planning for improved road safety infrastructure at urban schools in Breede Valley LM | Reduce the number of learner traffic-related incidents. Reduce the speed of vehicles passing urban schools through traffic calming infrastructure. Improved road signage | No implementation took place during this financial year. |
| | Transport Month event | Host a Transport Month event during October 2019 in Breede Valley LM | Hosted a Transport Month event in Breede Valley on 26 October 2019 at U-Save Taxi-rank and in Durban Street, Worcester. |

Transport Month Event

Aim of Transport Month

Transport Month is a national initiative to raise awareness with regard to the role of transport on the economy, and to encourage participation by citizens and businesses. Transport Month aims to place emphasis on the provision of a safe, affordable, accessible and reliable transport system in the country, as well as to engage in extensive campaigns that showcase the progress achieved in various transport programmes and projects while increasing awareness of public transport.

The division commemorates Transport Month with the knowledge that South Africa's road death toll remains at an unacceptably high level. Road accidents result in both the loss of lives and economic loss, and the effect of these costs are often devastating.

The goal for the CWDM's Transport Month was to raise awareness of the safety of women using public transport among public transport operators and the business sector, to increase the usage, safety and quality of service rendered by public transport operators, as well as to raise the awareness of the commuter on personal road safety.

Transport Month event 2019, Road safety – 365 days a year, was hosted successfully in Breede Valley at the U-Save taxi rank and in Durban Street, Worcester on Saturday 26 October 2019, and was given full support by the Portfolio Holder for Technical Services, Councillor G.J. Carinus.





COMMENT ON THE OVERALL PERFORMANCE OF TRANSPORT

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

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

However, despite funding challenges, planning for improved citizen mobility and implementation of various public transport related projects continued, as evidenced by the enthusiastic response from the various participants and beneficiaries during the Transport Month event hosted in Breede Valley municipal area.

DRAFT

COMMUNITY DEVELOPMENT AND PLANNING SERVICES

COMPONENT C: PLANNING AND DEVELOPMENT

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

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

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

- Compiling a Spatial Development Framework for the Cape Winelands district municipal area.
- Membership of the Western Cape Municipal Heads Planning Forum.
- Active participation in provincial and local municipal spatial development framework processes.
- Participation in environmental planning policy processes that are facilitated/implemented by other spheres of government.
- Participation in the new law reform process pertaining to the Western Cape Land Use Planning Act (Act. 3 of 2014) and SPLUMA.
- Membership 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 & Environmental Management is a member of Witzenberg and Langeberg Municipal Planning Tribunals established in terms of SPLUMA.

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

The core focus of the CW-RSEDS is to outline how the CWDM will invest in its people and how it will create an enabling environment in which business can develop, grow and thrive by fostering greater investment that will increase job growth and alleviate poverty in the district. The strategy builds on the Cape Winelands Regional Local Economic Development Strategy (2011/2012–2018/2019), which has been successful in implementing a number of programmes and initiatives that have helped grow the Cape Winelands economy over the last six years.

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

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

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.

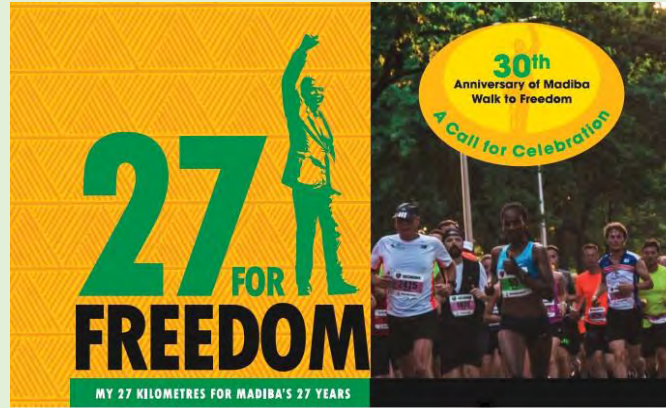
Air quality management resorts under Municipal Health Services (MHS) in the municipality. The CWDM's 2nd Generation Air Quality Management Plan (AQMP) review was completed in 2018, approved by Council and included as a sector plan in the IDP. The CWDM continues to strive towards the implementation of 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.

Disaster Management Services: The Cape Winelands Disaster Management Centre (CWDMC) is manned by three permanent staff members assisted by an intern, whose contract came to an end in November 2019. 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.

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

- 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.

#CWDMONTheMove



COMMUNITY DEVELOPMENT AND PLANNING SERVICES

IN NUMBERS

Our REACH in communities

- **600** people reached through the 16 Days of Activism campaign
- **1 527** rural school learners were afforded opportunities to embark on educational excursions
- **400** children were kept safe during holiday programmes
- **200 vulnerable** children participated in victim empowerment programmes
- **240** elderly persons had the opportunity to participate in the health and wellness sports event
- **33** community organisations were supported
- **20** ECD organisations were supported
- **15** interns in the Drakenstein area were afforded an opportunity to be part of the driver's licence training programme
- **200** more living active age programmes were implemented
- **5 100** packets of sanitaryware provided to school learners across the district
- **900** people reached through international day for people with disabilities
- **10 000** people reached through embarking on various sporting codes across the district

Helping to TRAIN and SKILL our communities

EARLY CHILDHOOD DEVELOPMENT

- **20** early childhood development centres were supported

EDUCATIONAL PROGRAMMES

- **1 527** rural school learners were afforded opportunities to embark on educational excursions
- **400** children were kept safe during holiday programmes

SKILLS DEVELOPMENT

- **15** unemployed youth were afforded an opportunity for driver's licence training
- **135** learners were trained in firefighting-related courses

TOURISM TRAINING

- **43** trained in customer care
- **18** site guides trained
- **41** trained in events management
- **13** received culinary training

COMMUNITY DEVELOPMENT AND PLANNING SERVICES

IN NUMBERS

Our REACH in communities through sports and recreation

- **64** sports and recreation clubs were supported
- **1 500** school children were part and parcel of the business against crime event
- **350** people were part of the Cape Winelands sports awards
- **250** people were part of Boland Rugby sports awards
- **166** sports clubs were assisted with transport to honour league games
- **800** kids were afforded an opportunity to take part in riel dance competitions
- **300** people took part in the Cape Winelands Drama festival

CARING for our environment

ENVIRONMENTAL MANAGEMENT

Natural resource management programmes

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

Thirty-four (**34**) **sites/contracts** were awarded and cleared allowing for

- Work opportunities created: **± 200**
- Hectares cleared: **± 1 166**



COMMUNITY DEVELOPMENT AND PLANNING SERVICES

IN NUMBERS

PROTECTING our communities

| TRAINING PROVIDED | NUMBER OF SESSIONS | NUMBER OF PEOPLE TRAINED |
|---|---------------------------|---------------------------------|
| Duties of the Food Handler | 32 | 577 |
| Standards & Requirements for Food Premises, 5 Keys to Safer Food, Hygiene Requirements for Wine Cellars | 3 | 29 |
| Do's and Don'ts for Spaza Shops & Informal Food Preparation | 1 | 18 |
| Safe drinking water and cleaning of water tanks | 7 | 15 |
| Health & Hygiene: Water & Sanitation Subsidy Programme | 111 | 1 071 |
| Personal Hygiene | 3 | 123 |
| Early Childhood Development Centres | 2 | 48 |
| Cape Winelands Education District Career Exhibition: Grade 9s | 1 | 2 343 |
| Handwashing | 1 | 56 |
| Interactive Health Education Live Theatre Performances | 34 | 8 871 |
| Community Healthcare Workers | 14 | 172 |
| COVID-19 Pandemic Related Training | 22 | 584 |
| TOTAL | 231 | 13 907 |



Number of COVID-19 educational awareness material disseminated:

29 094

FIREFIGHTING:

Attended to more than **1 000** veld/bush/mountain fires

DIVISION: SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT**Natural Resource Management**

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

Below are some of the sites that were cleared:

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

± 36,3 hectares were cleared.

± 30 work opportunities were created.

Nieuwedrift site

Pictures taken before clearing:



Pictures taken after clearing:



Paarl Mountain Nature Reserve site



Pictures taken during clearing (above)

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



Klein Parys Conservation area site



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

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

DIVISION SOCIO-ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT AND TOURISM

District role in economic development

While it is acknowledged that the private sector remains the primary contributor to economic development, driven by a desire to develop business, build the economy and accumulate wealth, we still believe that municipalities have an important role to play in economic development.

A district municipality must provide a coordinating and supporting role to the local municipalities within their geographical area by –

- managing and monitoring the implementation of economic development strategies
- identifying lead LED sectors that can kick-start development within the district
- establishing the LED structure
- promoting networks among firms in the district
- collecting and disseminating information to assist local municipalities
- providing the necessary training to municipalities that are under-capacitated
- promoting joint marketing, purchasing and production activities
- maintaining a strong relationship with the WCG
- identifying resource availability such as grants, land, infrastructure)

The municipality works with the private sector to launch cooperative projects to enhance the business environment to the benefit of all stakeholders.

COVID-19 RESPONSE

BUSINESS ECONOMY AND TOURISM CLUSTER

The Business Economy and Tourism (BET) Cluster reports to the CWDM Joint Operations Centre (CWDM JOC) as part of the sectors situated with the region. The aim of the BET Cluster is to develop an economic recovery plan for the region. The cluster meets once a week, down from thrice a week in line with the demands posed upon members.

REPRESENTATION AS MEMBERS

The BET Cluster is chaired by the CWDM and includes the following representatives:

- National Department of Agriculture, Rural Development and Land Reform (DARDLR)
- Western Cape Government: Department of Agriculture (DA)
- Western Cape Government: Department of Economic Development and Tourism (DEDAT)
- Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO)
- Cape Agency for Sustainable Integrated Development in Rural Areas (CASIDRA)
- Small Enterprise Development Agency (SEDA)
- Small Enterprise Finance Agency (SEFA)
- Drakenstein Municipality (DM)
- Stellenbosch Municipality (SM)
- Breede Valley Municipality (BVM)
- Witzenberg Municipality (WM)
- Langeberg Municipality (LM)

ACHIEVEMENTS TO DATE

COVID-19 support finder

- WESGRO developed the [COVID-19 Content Centre](#) or
- Email: supportbusiness@WESGRO.co.za
- The tool asks the user five easy questions, ranks the answers against predetermined criteria as stipulated by the various relief measures, and provides a list of relief measures the business may be eligible to qualify for.
- The process takes under a minute and is the best tool for SMMEs in distress.
- BET Cluster disseminated this information to all their networks.

Trade permits and databases

- All five local municipalities issued extended permits to eligible traders.
- All five local municipalities updated and submitted their databases of SMMEs to DEDAT and Department of Small Business Development (DSBD) for financial relief measures.
- All five local municipalities disseminated information on trade permits to DEDAT.

Surveys/questionnaires and webinars

- All five local municipalities submitted completed surveys/questionnaires from SMMEs to DEDAT and the.
- All five local municipalities hosted or are in the process of hosting webinars to assist in the recovery of the local economies.
- The CWDM initiated the process of the economic modelling for economic recovery by DEDAT to the DCF and thereafter to each local municipality within the region.
- All five local municipalities had been offered the opportunity by DEDAT to have a session in which the economic modelling would be presented to their councils.

SMME relief funding

- SMME relief fund for 5 530 applications out of the 8 000 permitted businesses in the Western Cape Province that was not approved by the DSBD.
- These 5 530 spaza shops, general dealers and permitted traders will receive financial assistance of R7 000, broken down as follows:
 - R3 500 (grant)
 - R3 500 (soft loan) at an interest rate below prime rate
 - SEDA compliance, i.e. ID, SARS, UIF and CIPC
 - Standard Bank and Nedbank will approve the applications submitted by SEDA
- The process is under way and SMMEs will receive their funds soon.
- Bank cards will be issued to be used at selected wholesalers only.

SMME toolkits

- SMMEs, both formal and informal with a staff complement of less than 10 employees, situated within the hotspots were eligible for these toolkits contained in a WCG-branded bag consisting of:
 - 2x 1 litre hand sanitisers
 - 10x reusable cloth facemasks
 - 3x A3 posters
 - 10x A4 information leaflets
- The CWDM was provided with 1 500 SMME toolkits for distribution as follows:
 - Drakenstein Municipality: 500
 - Stellenbosch Municipality: 250
 - Breede Valley Municipality: 150

- Witzenberg Municipality: 150
- Langeberg Municipality: 150
- ECDs: 300
- The first 300 toolkits will due to SCM challenges only be delivered by DEDAT on Thursday, 23 July 2020.

PUM webinar for SMEs

- WESGRO and the CWDM hosted a webinar on 25 June 2020.
- The Executive Mayor, Alderman (Dr) Helena von Schlicht, opened the webinar.
- WESGRO facilitated the webinar and PUM did the presentation for SMEs on procedures on how to apply for assistance for funding, mentorship and training from PUM
- The webinar was well attended and further roll-outs to other regions were planned.

Small farmer/commercial farmer support

- COVID-19 personal protective equipment (PPE) was issued by DARDLR and DA.
- COVID-19 agricultural disaster support fund for smallholder and commercial farmers rolled out between R20 000 and R1m.
- Target market is as follows:
 - Women: 50%
 - Youth: 40%
 - Disabled: 6%
- Support is as follows:
 - Poultry
 - Vegetables
 - Fruits
 - Livestock
 - Winter crops
- The closing date for the advertisement was 22 April 2020 and the approval for the CWDM was as follows:

| MUNICIPALITY | APPLICATIONS | APPROVALS |
|---------------------|---------------------|------------------|
| Drakenstein | 69 | 42 |
| Witzenberg | 66 | 39 |
| Breede Valley | 63 | 52 |
| Langeberg | 21 | 11 |
| Stellenbosch | 16 | 10 |
| TOTAL | 235 | 154 |

- Approved applicants will receive assistance in the form of vouchers to the value of R50 000 each.

ECONOMIC DEVELOPMENT PROJECTS AND PROGRAMMES IMPLEMENTED PRE-LOCKDOWN INVESTMENT ATTRACTION, RETENTION AND OPPORTUNITIES PROGRAMME

The focus of the Cape Winelands Investment Attraction, Retention and Opportunities Programme is to promote investment in the Cape Winelands District by focusing on:

- retaining and expanding existing businesses;
- identifying opportunities in the area; and
- attracting new investment in the area.

Investment Programme: Wine Tourism Toolkit Project

In June 2019, Vinpro successfully completed the Wine Tourism Toolkit, which is a comprehensive resource for South African wine tourism. Two of the main objectives with the development of the toolkit are increasing industry capacity and increasing individual and enterprise capability, which supports the CWDM's efforts in its business retention and expansion programme for the tourism sector.

The toolkit was developed on behalf of the industry to assist businesses in establishing or expanding their wine tourism footprint. The online toolkit provides a blueprint to assist wineries in planning and implementing their wine tourism initiatives, as well as sections that focus on different aspects of wine tourism, including resources, checklists, templates and case studies. Users can work through the toolkit sequentially or select different modules and topics to suit their needs. The benefits to wineries of using the toolkit would include unlocking additional revenue streams by developing a suite of wine tourism experiences, improved service delivery, increased revenue from wine sales and growing brand awareness by offering quality experiences to visitors. The toolkit is made available to the industry at no cost, thanks to funding from the CWDM, as well as a further contribution from Vinpro to expand its reach to wine-related businesses across the country.

2019/2020 financial year

The Wine Tourism Toolkit was launched at a stakeholder event on 23 July 2019 and was well received by stakeholders and the industry.

The rollout was planned as communication-driven and through four regional workshops scheduled for November 2019. The launch of the resource was communicated in the press, by Vinpro corporate communications, by the Wine Route Managers, Wines of South Africa (Wosa) and through a Wine Tourism Toolkit Newsletter issued on 10 October 2019. The press release on the Toolkit launch was picked up by local publications Wine.co.za, Bizcommunity, My Cape Town and internationally by The Drinks Business and Harpers. The Wine Tourism Toolkit introductory newsletter was distributed to 853 winery representatives and tourism stakeholders. It enjoyed an above-average open rate of 34% and click-through rate of 33%.

The Wine Tourism Toolkit, a digital resource and tourism blueprint for wineries, currently has 485 active users. Since the launch of the toolkit, 4 975 documents were downloaded by users. The most downloaded documents, excluding the introduction and orientation, to date have been, in descending order: 'One-Page Tourism Planner (Info)', 'Wine Tourism Implementation Plan', 'One-Page Tourism Plan (Editable Template)', 'Wine & Tourism Industry Links' and 'Understanding Tourism'.

Implementation

The toolkit was brought to life by a series of regional workshops hosted from 18 to 22 November 2019 to introduce the first four chapters of the toolkit to industry. The workshops were hugely successful, with each session over-subscribed due to the level of interest in the content and presenters. The presenters were Marisah Nieuwoudt (Vinpro) and Robin Shaw (Wine Tourism Australia and main content contributor for the toolkit) as well as Carlen Wahl (Platform5).

The topics addressed included wine tourism planning and objectives, defining your point-of-difference, wine tourism revenue streams, regional, competitor and collaborator analysis, a facilities overview, review of wine tasting options and finally how to develop a wine tourism product or experience.

Event satisfaction

Attendees completed an event feedback form indicating their satisfaction with various elements of the workshops and which of the proposed toolkit topics they would be interested in learning more about in the 2020 workshops. The event feedback forms based on a total of 105 responses:

- 96% of attendees indicated that they were very likely to recommend the workshops to a colleague or friend in the industry and 4% indicated that they were somewhat likely to recommend the event.
- 98% of attendees indicated that they are interested in attending a workshop in 2020 covering the topics mentioned.
- Marisah and Robin met on Monday 25 November 2019 for a strategic planning discussion, including structure and funding of wine tourism in Australia and 2020 workshops.
- Robin Shaw presented a second workshop on Tasting Room Customer Service in the Breedekloof Valley on Tuesday 26 November 2019, which was also fully booked.
- She engaged with the management team of Visit Stellenbosch in a strategic discussion regarding wine tourism on Wednesday 27 November 2019.
- During her stay, Robin visited the Agulhas, Stellenbosch and Franschoek wine routes with an eye to reciprocal technical visits by Australian wineries in 2020.

The workshops were very successful in implementing the toolkit. A second round of workshops was being planned for September/October 2020 that would focus on the marketing chapters of the toolkit, but was halted due to the COVID-19 pandemic.

Investment Programme: Wine Tourism Skills Audit Project

Our goal with this project was to conduct a comprehensive skills audit and develop a human resource development (HRD) strategy for the wine tourism industry.

The project objectives are the following:

- Skills Baseline for the Wine Tourism Industry. Identify the critical occupations and define their specific outputs and related roles as a point of departure to create a skills baseline for the wine tourism industry.

- Skills Needs. Conduct a skills audit of practitioners in the 318 wineries of the Cape Winelands District Municipality routes. Use the information to create or extrapolate a skills profile and indicate current and foreseen skills needs for the entire industry.
- Learning and Development Programmes. Analyse and report on the learning and development programmes required to address the skills needs in the sector. The analysis will look at what currently exists and recommend learning programmes and pathways that either need to be aligned to the identified skills needs or developed. Recommendations will be cognisant of the South African qualification landscape and government initiatives aimed at promoting access to learning and development.
- People Development Strategy. The objectives of the project have to culminate in a People Development Strategy that outlines principles and processes to support the Wine Tourism Strategy.

A project kick-off meeting was held with the consultants and the CWDM, as co-funder, on 5 March 2020. Due to the COVID-19 lockdown restrictions, the surveys with stakeholders could not take place and will continue as soon as restrictions are lifted.

Investment Programme: Digital Tourism

The CWDM has collaborated with digital app developer, Indigo New Media/Nomadic Ways, for the development of 14 town mobile applications for its 14 towns/local tourism associations (LTAs). These included Stellenbosch, Pniel/Dwarsrivier, Franschhoek, Paarl, Wellington, Tulbagh, Wolseley, Ceres, Rawsonville/Breedekloof, De Doorns, Worcester, McGregor, Robertson and Montagu/Ashton. The CWDM Tourism Mobile Routes & Events App subsequently followed and it was successfully launched on 11 and 12 September 2019 in the Breedekloof, Breede Valley region.

To ensure that the CWDM app was fully functional prior to the launch, the CWDM collaborated with the 14 LTAs and hosted a visit for members of the media, based on the Amazing Race principle. Contestants were required to make use of the app to find various businesses and activities before posting these on digital media platforms and the app. The amazing races took place per municipal area from 11 September 2019.



Photo: Members of the media marvelling at the poems in the Green Garden at the Afrikaans Language Monument in Paarl before taking on their next challenge on their amazing race through Drakenstein.

The final destination for the contestants was the official launch held on 12 September 2019 at the Du Kloof Lodge situated on the N1. Through actual interaction, the developers had the opportunity to hear directly from people who had spent 24 hours using the tool. The suggestions, such as 'what to do with two days in Cape Winelands' and that the app could offer 'special deals and coupons' were well received by the developers and can easily be integrated.



“This app was developed with people in mind,” stated Cllr Kobus du Plessis, Mayoral Committee member and Portfolio Holder for LED, during his address. “The people of the Cape Winelands are the strength of our tourism industry. The manner in which they host, entertain and nourish our guests show us this, and the app is designed for people visiting our area who wish to be hosted, entertained and nourished!”

The app allows the user to follow various routes – for example, if the users are interested in history, they can follow one of the historical routes, or try one of the culinary routes – and see where the two overlap, enabling them to enjoy a culinary experience in a historical building. The app is available free of charge to both Android and Apple users and will assist local, national and international travellers in planning their visit to the Cape Winelands District.

Business Retention and Expansion (BR&E) Programme – Some BR&E projects in more detail:

Franschhoek Hospitality Academy & Learning Centre: Training Kitchen and Classroom

The academy has been supported with an amount of R60 000 towards the establishment of a training kitchen and classroom. The training kitchen had been a need for three years and now the academy is in a position to enrol 25 students for a one-year fulltime programme. During 2019, 21 students enrolled in the programme and for 25 students are enrolled for 2020. These direct beneficiaries are aged between 18-34 years and are selected from the historically disadvantaged and unemployed youth from the local communities. The academy also facilitates evening/short course classes to persons aged 18 years and older; these participants are from the broader community. During 2019, 60 community members participated. Indirectly, the academy assists students to provide for and support their families and it provides trained and skilled workers for the hospitality industry.

Nocawe Cultural and Food Experience – additional restroom and furniture for the host of tourist groups



Ms Nocawe Piedt founded Nocawe Cultural and Food Experience with the support of her family. The business has been operating in Kayamandi since 2007 and has seen immense growth since 2015. Groups of tourists are hosted to experience isiXhosa culture and food. Nocawe Cultural and Food Experience applied for support for an additional restroom and furniture (tables and chairs) for the convenience of tourists and visitors and received R30 000. The funding enabled Ms Piedt to uplift the standard of the premises and of the business. It also added value to the business and to the experience of the visitors and tourists.



Salem Biblical Garden

Salem Biblical Garden, situated in the Windmeul Valley, Agter Paarl, has been created and developed to offer an experience encapsulating The Bible in visual form with mosaics, sculptures, reliefs and artefacts. The establishment applied for funding to build an open-air stage that can link with the 100-seater tent for events on the farm. The project included installing electricity and lighting for the stage and the area in front of the stage. The project also included building a ramp and cutting a level platform on the slope of the mountain behind the tent where an additional

35 cars can park. Along with the existing parking, it can accommodate 350 visitors at a time. The project was supported with an amount of R70 000.

Witzenberg Pop-up Crafts & Cuisine

The purpose of the project is to display and promote SMMEs of the Witzenberg Valley, focusing on local cuisine, arts and crafts. The funding enabled Ceres Tourism to purchase infrastructure to create a sustainable tourism pop-up shop that can be used at various events and platforms. By purchasing the necessary infrastructure and branded collateral, a professional local product can be displayed and included in the mainstream tourism products and services. This is also a platform for SMMEs to extend their offerings to tourists – further highlighting the hidden gems operating in the Witzenberg area. The project has assisted with mentoring and empowering of entrepreneurs, some of which have also attended various training sessions. A generic logo was developed for branding purposes and will be used for marketing and advertising through various mediums.

Blindiana Barista



The Blindiana Barista is located in a beautiful historical building in Church Street, Worcester and is open to the public and all visitor groups. This coffee shop aims to provide working opportunities to the visually impaired as well as sighted residents. The Blindiana Barista creates awareness of the unimaginable capabilities of the blind and offers services to visually impaired persons. The Barista is also located in a prime spot and offers a meeting room with Wi-Fi availability. The Innovation for the Blind, a marketing leg for Worcester Tourism, applied for funding to secure the front area of the coffee shop. This was due to visitors feeling

unsafe and the stealing of the outdoor furniture. The CWDM allocated R15 000 towards this project. The fencing assisted with safety and security and it helped Blindiana Barista to accommodate more tourists in their coffee shop.

McGregor Young Warriors & BMX Track Service Centre

The McGregor Young Warriors are introducing and encouraging the youth of McGregor to lead a healthy lifestyle through the sport of cycling – to gain exposure to career and life opportunities through participating in events/activities outside McGregor and by giving back to the McGregor community through serving at community projects. Max Menzies started the McGregor Young Warriors in 2016. The aim is to teach kids aged 6 to 18 the health benefits of cycling and the sense of responsibility and self-confidence it instills. In the process, they learn the discipline that is a required part of the sport. They have taken part in numerous MTB races, and have all thoroughly enjoyed them.



CWDM supported the McGregor Young Warriors with an amount of R50 000. The first 50 bikes that were handed out to locals were put together by the McGregor Young Warriors. They built 60 children bikes and 50 adult bikes that were handed out on 15 December 2019. McGregor Young Warriors built a BMX bike pump track for 6- to 12-year-olds at the Breede Skill Centre. On 28 February 2020, the [McGregor Young Warriors & Angels - Mountain Biking Academy](#) launched a Bike Park and Bike Service Centre in McGregor for the 200 bikes that were handed out to the community. McGregor Young Warriors would like to make this bike service centre a comfortable place for the young people to come and have their bikes repaired.

TOURISM MARKETING AND DEVELOPMENT PROGRAMME

Tourism Marketing

The Marketing section is responsible for promoting the Cape Winelands as an attractive tourist destination, both national and internationally. The specific functions of the Marketing section are to:

- implement a targeted marketing strategy.
- develop a strong tourism brand for the CWDM.
- develop marketing collateral.
- implement targeted marketing campaigns.
- participate in national and international tourism exhibitions.

- produce articles for specific tourism magazines and participate in radio programmes.
- undertake educationals for the media/tour operators.
- support district events and festivals.

With the Cape Winelands' rich cultural and historical heritage, natural beauty and popular wine route, there is immense potential for growth in the tourism sector. The primary challenges facing the tourism sector are increasing the number of tourists visiting the district; facilitating a better geographical spread of tourists throughout the region; and promoting greater representation and participation in the sector.

Media/Tour Operator Educationals



A group of journalists enjoying dinner



Olive tasting

- The Tourism Strategy uses various forms of media, including magazines, newspapers, radio, websites and brochures. It also focuses on promoting localities in the district that are visited infrequently, and on promoting small business and black empowerment firms.
- Educationals are conducted throughout the Cape Winelands region.
- The aim of hosting media educationals is to promote hidden tourism gems and experiences within the Cape Winelands region through the scheduling of media, tour operator and staff educational trips that are aligned with the seven destination promotion themes for the five B-municipal areas.
- The CWDM budgeted for nine media/tour operator educational trips to provide more in-depth knowledge and offerings about the Cape Winelands, but due to COVID-19 we could not achieve all our planned educationals as the pandemic had resulted in the shutting-down of tourism activities.

Tourism events

Tourism events are elements of tourism destinations that offer a reflection into social and cultural functions. Tourism events widen the destinations tourist market, attract tourists to destinations, build the destination image, promote the destination and stimulate the creation of economic benefits.

- With events, the local culture, traditions and customs are celebrated – entertainment and recreation complement each other and cultural and social advancement is ensured.
- Events are an important motivator of tourism and they are present in destination development plans and tourism development strategies.
- Tourism events motivate tourist arrivals in the outlying areas, as per the Cape Winelands objective of attracting more tourists throughout the region, with the aim of strengthening the competitive advantage of the Cape Winelands over other regions as a tourist destination.

- Destination management attitudes towards the importance of events are defined for economic, social and environmental event impacts.
- Metric characteristics of the scales of economic, social and environmental impacts are determined.
- The level of necessary managerial knowledge and skills pertinent to evaluation aspects of events are defined.
- In this financial year, 14 events were funded by the CWDM. Some were held in affluent areas and some were held in the previously disadvantaged areas, which changes the economic landscape.

Tourism Month



South Africa celebrates Tourism Month in September every year to provide the tourism industry with the opportunity for a heightened focus on the importance of tourism to the local economy. It also serves as an opportunity to promote domestic tourism and create a culture of travel amongst South Africans.

The Cape Winelands has two main activities that take place during September, namely the launch of Tourism Month to create tourism awareness and the Annual Mayoral Tourism Awards to acknowledge the role played by the various stakeholders in the tourism industry in the region. In addition, the awards contribute to strengthening relations between the Cape Winelands and other tourism stakeholders.

The 2019 UNWTO theme for World Tourism Day was 'Tourism and jobs – a better future for all', which highlighted the tourism sector's vast capability to create jobs and therefore reduce the country's unemployment rate.

Mayoral Tourism Awards

Whilst the world, country, provinces and regions celebrate tourism month, the Executive Mayor of the CWDM decided to honour and acknowledge the magnificent work done by tourism fraternity in promoting tourism as a job creator and in growing the economy of our region. In doing so, Mayor Von Schlicht has devoted her time in becoming the number one ambassador of this project.

2019 WINNERS AND RUNNERS-UP

| CATEGORY | WINNER | RUNNER-UP | MUNICIPAL AREA |
|--------------------------|---------------------------------|-----------------------|----------------|
| Entrepreneur | Le Tuksi Tuk Tuk (Franschhoek) | Flying Feet Tours | Stellenbosch |
| Sustainable development | Fynbos Guest Farm | | Langeberg |
| Wine tourism destination | Van Du Charron | | Drakenstein |
| Service excellence | Montagu LTA | | Langeberg |
| Accommodation | | | |
| Self-catering | Blue Sky Cottages | | Witzenberg |
| Family accommodation | Avalon Spring | | Langeberg |
| Luxury accommodation | The Light House | | Langeberg |
| Special project | Franschhoek Rond en Bont | | Stellenbosch |
| | | Montagu Book Festival | Langeberg |

Tourism Sports Campaign

- This project aims to promote and market the CWDM as the best inbound tourism destination.
- The CWDM collaborated with Drakenstein Correctional Services in organising the 27 For Freedom Run.
- 8 February 2020 marked the 30th anniversary of Nelson Mandela's historic release from Victor Verster Prison (now the Drakenstein Correctional Facility) and the walk to freedom after 27 years of incarceration.
- To commemorate the event, the Drakenstein Correctional Services and the CWDM hosted the 11th 27 for Freedom Run day at the Drakenstein Correctional Facility outside Paarl on the R301.

Participation in national and international tourism exhibitions

- Exhibitions are increasingly becoming more business-orientated and provide not only a place for a meet and greet opportunity but also a sign, seal and deliver opportunity.
- Major tourism exhibitions present almost unrivalled public, trade, and marketing and media relations opportunities.
- Tourism exhibitions are a highly cost-effective sales and marketing tool that combines all the best characteristics of advertising, promotions, direct mail and selling, either through tour operators and travel agents or, in the case of the public shows, directly to consumers.



Cape Winelands doing business during Meeting Africa

LTA Projects

These projects aim to assist local tourism associations within the Cape Winelands District municipal area with identifying and implementing tourism developmental projects in their respective towns. Projects such as school educationals, tourism staff educationals, art and music classes for the youth, and skills training for the youth and community in tourism are amongst the many projects identified. The CWDM therefore aims to encourage communities in its tourism industry to become aware of and form an active part of tourism in the region and to provide excellent service and also be ambassadors of friendliness and hospitality to local and international tourists.



Tourism Training

Tourism is generally regarded as a vehicle for job creation. Government and the non-governmental sector partners work together to create better conditions for economic growth, poverty reduction and employment creation. In support of this process and to create a competitive and sustainable tourism industry, it is imperative to support tourism initiatives that are in line with national, provincial and regional growth targets.

In order to develop initiatives aimed at stimulating economic growth at a regional level, the CWDM embarked on a process to improve the skills of entrepreneurs in the hospitality industry to provide services of the highest quality and excellence. This process involves improving the services rendered by SMMEs in the hospitality industry such as caterers, restaurants and accommodation facilities within the district that host stakeholders. Through training in culinary art, customer care, event management, social media, first aid, computer literacy and introduction to wine, SMMEs in the Cape Winelands District will be better equipped to capitalise on the prospect of increasing tourism activity and service excellence.

A number of trainees has been employed in the hospitality industry after completing the various courses offered by the CWDM.



TOWNSHIP TOURISM PROJECT

This project is an intervention by the CWDM to ensure that tourism routes become profitable and sustainable and that smaller tour guides, operators and small businesses are afforded the opportunity to gain access to and link with established businesses and routes to grow and develop their enterprises in the tourism industry.

The Township Tourism Project consists of four phases:

- Forging partnerships with existing routes
- Route development support
- Route visits and educationals
- Signage and route collateral

The aim is twofold. Firstly, to link the tour guides with tour operators and big business organisations and secondly, to expose the tour guides who are still registered and operating to all the products and new routes on offer in the region. In so doing, they can include it in their packages or itineraries available to potential visitors, tourists or investors.

The CWDM had through a number of studies identified that municipalities need assistance in developing their envisaged township tourism routes and has entered into agreements with municipalities to this

effect. Mall activations also take place to provide a platform for SMMEs to introduce their products to local consumers.

Most tourism businesses within the CWDM are challenged with obtaining appropriate tourism road signage. Henceforth, the CWDM also aims to assist in providing tourism road signage to those routes that are already established but struggling with signage, as well as to develop collateral such as route maps to assist in the marketing of these tourism routes.



RURAL AND SOCIAL DEVELOPMENT PROGRAMME

Rural and Social Development 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, provide access to assistive devices, 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.

COMMUNITY SUPPORT PROGRAMME

Non-profit organisations and community-based organisations face various challenges and financial constraints. The CWDM provides funding to support civil society organisations in rendering services that have a direct and immediate impact on the wellbeing of disadvantaged communities at grassroots level. The funding maximised the poverty alleviation impact of 33 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.

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.

International Day for Persons with Disabilities Project

On 3 December 2019, the CWDM partnered with government departments and NGOs in the disability sector to commemorate the International Day for Persons with Disabilities. Events covered the full spectrum and were held in the five B-municipalities of the CWDM to observe and promote the rights of

persons with disabilities – 600 disabled persons and their families were reached through these programmes.

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 11 community organisations across the Cape Winelands municipal district. This programme also enhances the capacity of beneficiary organisations to render services that will contribute to the achievement of the strategic objectives of the CWDM.

ELDERLY PROGRAMME

The CWDM 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 held as part of the More Living Active Age Programme for the elderly in our district. These tours provided the elderly with opportunities to experience 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 to visit recreational and historical landmarks – some of the elderly have never been out of their residential areas due to financial constraints. Approximately 200 elderly persons from across the district were the beneficiaries of the recreational and educational excursions.

FAMILIES AND CHILDREN PROGRAMME

The programme aims to strengthen the capacity of families and communities to care for and protect children. Families are the cornerstones of communities. Dysfunctional families lead to dysfunctional communities. The family has been and continues to be the principal institution in society, playing a vital role in socialisation, nurturing and care, as well as determining the conditions of social reproduction. Interventions to support vulnerable families are vital in alleviating abuse, neglect and poverty. This programme is implemented in partnership with government departments, civil society organisations, NGOs and faith-based organisations.

Victim Empowerment Project

Victim empowerment is an approach to facilitate access to a range of services for all people who have individually or collectively suffered harm, trauma or material loss due to violence, crime, natural disaster, human accident or through socio-economic conditions. It aims to restore the loss or damages. Victim empowerment programmes focus on taking control, having a voice, being heard, and being recognised and respected as an individual. These initiatives focus on empowering people, especially women and children, with information and skills. Through these types of programmes they learn to understand and manage emotions, set and achieve positive goals and feel and show empathy for others. It also teaches them to establish and maintain positive relationships and make responsible decisions. Victim empowerment programmes were implemented in partnership with the Department of Social Development to ensure that children in the Cape Winelands municipal district were empowered through a holistic approach. The programme activities included prevention of re-exposure, reframing of cognitive distortions, symptoms management, problem solving, informed decision making and group therapy.

Educational Excursions

Learners of rural schools were afforded opportunities to embark on educational excursions, which enhanced learning outside the classroom. They were mostly from low-income households that cannot afford the fees attached to educational excursions but through the support of the municipality, they can attend the excursions. Approximately 1 527 children were reached through this activity.

Holiday Programmes

During school holidays, young children, especially in impoverished communities, have very little or no recreational space where they can give expression to their need for positive socialisation and interaction with their peers. This places them at risk of being drawn into negative activities such as youth criminality, increased substance abuse and risky sexual behaviour. Holiday programmes were implemented in partnership with civil society organisations to ensure the safekeeping of children during school holidays. The programme included a variety of educational and recreational activities provided in a safe environment to learn, interact and enjoy. It covered important topics such as crime prevention, teenage pregnancy, drug abuse, anti-bullying and addressing challenges facing children and young people during puberty. Approximately 400 children were kept safe during holiday programmes.

Foetal Alcohol Syndrome Prevention Project

Foetal Alcohol Syndrome (FAS) is the leading cause of mental disability in South Africa. Children with FAS are born with a lifelong disability, which affects their physical growth and development, their mental ability, behaviour and social skills. The effects of substance abuse have a devastating impact on the lives of children and the CWDM implemented a programme that prevents parents from abusing substances and to decrease the rate of children born with FAS. A Pregnant Women Mentorship programme was implemented in partnership with FASFacts with the objective of preventing the increase of FAS by assisting girls and women making the decision not to drink alcohol when they are pregnant, or when they plan to become pregnant. The mentors were responsible for ensuring that the pregnant women abstained from alcohol during pregnancy and the breastfeeding period. They also provided support to the family during this period. International Foetal Alcohol Syndrome Day was observed on 9 September 2019 at the town hall in Worcester. The CWDM, in partnership with stakeholders, recognises and raises awareness about the dangers of drinking during pregnancy and the plight of individuals and families affected by FAS and Foetal Alcohol Spectrum Disorders (FASD).

Sanitaryware

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



The Rural and Social Development unit of the CWDM focuses on building and maintaining social capital through access to programmes and services. The Department of Health is busy with Health and Hygiene awareness programmes at senior centres within the Cape Winelands district. One of the challenges identified was the need for sanitaryware for school learners across the district. The success of this programme is based on the strong and vibrant partnership with Department of Education in our district. During January 2020, 33 schools across the district were visited to hand over approximately 5 100 packets of sanitaryware.

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 this objective. Therefore this initiative will ensure that not a single girl misses any school days due to a lack of sanitaryware.

ECD Support

The CWDM has invested in various programmes to improve education in early childhood development (ECD) as it does not only entail the care and protection of children, but also their development. It further ensures that babies and toddlers attend a crèche with the 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 grants in aid to 20 ECD centres.



HIV AND AIDS PROGRAMME

HIV and AIDS impact the sustainability and developmental circumstances of communities. The implementation of interventions is crucial to ensure that the vulnerability of infected and affected persons is decreased. HIV/AIDS awareness campaigns, World AIDS day, HIV/AIDS & male circumcision; HIV & breastfeeding and 16 Days of Activism Against the Abuse of Women and Children programmes are implemented in partnership with the multisectoral action team (MSAT) structures in each B-municipal area. These programmes focus on reversing the effects of the HIV/AIDS pandemic and on providing support to infected and affected families in the district.



HIV/AIDS Awareness Programmes

HIV/AIDS awareness campaigns were held across the district and included programmes such as World AIDS day, HIV/AIDS & male circumcision; HIV & breastfeeding. A HIV/AIDS awareness programme was implemented for foster parents. The purpose of the programme was to educate foster parents on the treatment, nutrition, dental health and healthy lifestyle of infected and affected children and their biological parents. Fifteen foster parents from the Worcester/Breede Valley area were reached through this

programme. An HIV/AIDS awareness programme was implemented across the district, sensitising young people about the dangers of not using condoms.

16 Days of Activism Project

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 of opportunity (25 November to 10 December) in communities for intense awareness raising and education to reduce levels of women and child abuse. Catalytic events includes the launch of the 16 Days Campaign, World AIDS Day and the International Day for People with Disabilities. The objectives of the 16 Days of Activism Campaign Against Women and Child Abuse are to change behaviour through public awareness and education on the rights of people living with HIV/AIDS and those who are HIV positive; to generate awareness 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; to create awareness around the link between HIV/AIDS and gender-based violence. Approximately 600 persons are reached through the 16 Days programmes.



SKILLS DEVELOPMENT PROGRAMME

Skills development is identified as one of the priority needs for sustainable development in rural communities within the CWDM. Violence, social isolation and low education levels make young unemployed women more vulnerable and increase their risks 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 the unemployment rate amongst youth in rural areas. The Skills Development Programme also formed part of the Expanded Public Works Programme (EPWP) of the municipality. Skills development programmes enhance the employability and SMME development amongst women and the youth.

Driver's Licence Training Project



The CWDM partnered with the Health, Education and Social Development sector departments and Langeberg Municipality to embark on an integrated governmental relations programme for 30 unemployed youth in the Langeberg area. The programme afforded the participants the opportunity to obtain a driver's licence. Training consisted ten practical driving lessons and a driver's licence test. The lack of skills development affects sustainable development in the rural communities of the Cape Winelands district. Violence, social isolation and low education levels

make young, unemployed youth more vulnerable and increase their risks of sexual exploitation and drug abuse. The municipality has identified the need to empower young people by providing access to K53 driver's licence training. The project was implemented by He & She Driving Training Centre and was completed on 17 March 2020.

In partnership with the Department of Social Development, Drakenstein Municipality, the Department of Health and Correctional Services, 15 interns from Drakenstein were identified to be part of this programme. To enroll, learners in this programme needed to be interns and in possession of a valid C1 and B learner's licence.

WOMEN PROGRAMME

Although government has made significant progress in empowering women in the political, public and educational spheres, the marginalisation of poor women severely compromises progress. Women development programmes are implemented in partnership with various stakeholders during August (Women's Month) and throughout the financial year.

Various women's programmes across the district were supported by NGOs such as Witzenberg Abuse Crisis, Breede Valley Municipality, New Restoration Ministries and Social Development. The women were motivated to overcome challenges in their lives and to be proud of who they are. 330 women were reached through this programme.

YOUTH PROGRAMME

Young people are at the heart of the future of South Africa and are facing many challenges in modern day society. There is a 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 youth with life skills, job readiness, entrepreneurial skills and career guidance.

Grade 10-12 Support Project

Activities such as career exhibitions, matric motivation programmes and spring-school programmes were supported to enhance opportunities for Grade 10 - 12 learners. Ten secondary schools (600

learners) from across the district were afforded the opportunity to participate in career exhibitions to gain information to make appropriate career choices. This programme was implemented in partnership with the Department of Education, tertiary institutions and financial study aid institutions.



Grade 12 Top Achievers

The Grade 12 Top Achievers annual event was held on Thursday 16 January 2020 at the Worcester Town Hall with more than 350 people in attendance. The CWDM hosted the event in partnership with the Department of Education. Learners and their parents from all the schools in our region were present, and the CWDM Executive Mayor handed over certificates to the top achievers.



COMPONENT E: SPORTS AND RECREATION

SPORTS AND RECREATION PROGRAMME

Sports, recreational and cultural programmes provide opportunities for vulnerable groups to participate in mass participation programmes. It enhances social cohesion amongst communities and allows children, families, senior citizens, the disabled, men and women to participate in and attend numerous events that they would otherwise have been denied.

Sports and Cultural Events Funding Programme

Funding was provided to support sports and cultural organisations in implementing mass participation sports and cultural events. The funding maximised the participation of community organisations across the Cape Winelands municipal district to promote healthy lifestyles. This programme also enhanced the capacity of beneficiary organisations to render services that will contribute to the achievement of our strategic objectives. The programme provides opportunities to vulnerable groups to advance to local, provincial and national sports and cultural programmes. During the 2019/2020 financial year, 60 organisations benefited by this programme.

Business Against Crime Tournament

The CWDM partnered with Breede Valley Municipality, SAPS, the Department of Education, De Jagers Outfitters and other local businesses to join hands in the fight against crime that is consuming the youth of today. Rugby and netball tournaments were held as an alternative recreational programme to allow learners in gang-infested areas to participate in a safe environment. Learners from Hexvalley Secondary School, Esselenpark Secondary School, Worcester Secondary School and Breeriver High School participated weekly in these tournaments, which culminated in the finals at Boland Park, Worcester on 5 October 2019. The day started with a march through the gang-infested areas of Worcester to relay the anti-crime messages. Boland Rugby and clubs use these tournaments to scout for talented players. Approximately 1 500 learners participated in the activities of the final tournaments.

Cape Winelands Sports Awards

The Cape Winelands Sports Awards ceremony is annually held in partnership with the Department of Sports, Arts and Culture, the Boland Sports Council and sports federations. Persons who achieve exceptional performances in the various sports codes are honoured at the awards ceremony. This prestige event is attended by 350 guests, including dignitaries and nominees of the various sports codes. The CWDM supported 60 clubs and sports federations, as well as the Cape Winelands Sports Council in hosting its annual Sports Awards in Drakenstein at the Ashanti Estate on 5 September 2019.

The purpose of the awards was to celebrate the athletes for their contribution to sports for the year 2019. The event was well planned and we received great support and attendance from members of federations and other guests. The inspiring event was hosted by the Cape Winelands Sports Council in partnership with the Department of Cultural Affairs and Sport and the CWDM. The Executive Mayor of the Cape Winelands district, Alderman Von Schlicht, delivered the welcoming address.

SAFA Cape Winelands sports tournament

SAFA Cape Winelands, in partnership with the CWDM and the Department of Cultural Affairs and Sport, hosted the tournament from Saturday 9 November 2019 at the Van Zyl sports fields in Robertson. Approximately 300 youth from various B-municipalities were part of this event.

Clubs supported

A number of rugby and soccer clubs and NPOs are supported to honour their league games across the district. Approximately 10 000 people were reached through embarking on various sporting codes.

Drama Festival

The Cape Winelands Drama Festival is a drama development programme of the WCG's Department of Cultural Affairs and Sport and is presented in partnership with the CWDM's Department of Community Development and Planning Services to enable various drama groups to compete in the best drama performance. This programme has been particularly successful in the CWDM, as partnerships were also forged with Stellenbosch Municipality, Langeberg Municipality and Breede Valley Municipality, as well as with professional artists, tertiary institutions and the private sector. This facilitated the growth of the drama programme at various levels and provided the youth with opportunities to learn from and be guided by professionals in the field.

The festivals have not only been highly successful since implementation, but the biggest success has been the growth and elevation of theatre standards in these communities. The new approaches utilised to develop the groups during the initial training have resulted in productions of an exceptional calibre.

All the groups selected to continue to the next round will be developed further in an attempt to elevate their current skills to ensure that these emerging artists present productions based on the professional requirements and fundamentals of theatre. The adjudicators' feedback on the showcases was presented to the groups to assist them with their productions, based on comments from theatre professionals. These enhanced productions are then performed at a finale to select the most improved and developed production that will be presented at professional festivals.

The collaboration with the CWDM ensured the successful presentation of the adjudication showcase. The drama festival finale was hosted in Franschoek town hall on 10 February 2020. Approximately 300 people participated in this event

COMPONENT F: MUNICIPAL HEALTH SERVICES

LEGAL FRAMEWORK

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

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

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

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

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

EDUCATION AND TRAINING 2019/2020

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



BREEDE VALLEY YOUNG CHILD FORUM (ECDs)



CW EDUCATION DISTRICT: CAREER EXHIBITION



INTERACTIVE THEATRE RABIE PRIMARY

FUNCTIONS

WATER QUALITY MONITORING

DEFINITION

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

This function includes the following:

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

This function excludes water supply and purification.

| WATER QUALITY SAMPLING 2019 – 2020 | |
|--|-------------|
| General limit for wastewater discharged into a water resource | 116 |
| Legionella screening | 2 |
| Moore pads | 6 |
| SANS 241 Farms Non-Water Services Authority: Specifications for Drinking Water | 231 |
| SANS 241 Rural Schools Non-Water Services Authority: Specifications for Drinking Water | 110 |
| SANS 241 Water Services Authority: Specifications for Drinking Water | 602 |
| Special limit for wastewater discharged into a water resource | 50 |
| Standard for rivers, dams, canals | 193 |
| Standard for swimming pool water | 136 |
| Water used in milking sheds | 12 |
| TOTAL | 1458 |

FOOD CONTROL

DEFINITION

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

The function ensures consumer protection through the following actions:

- Food inspection at point of production, storage, distribution and consumption;
- Regulate food premises regarding hygiene and the prevention of nuisances through certification, regular inspections and the enforcement of the Regulations governing General Hygiene requirements for Food Premises, the Transport of Food and Related Matters, R638 of 23 June 2018;

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

| ACTIVITIES CONDUCTED IN RELATION TO FOOD CONTROL | |
|--|-------|
| Number of inspections conducted at food premises | 7 714 |
| Applications for Certificates of Acceptability inspections conducted | 808 |
| Number of Certificates of Acceptability issued | 779 |
| Number of orders and notices issued to food premises | 78 |

| FOOD SAFETY SAMPLING 2019 - 2020 | |
|---|--------------|
| Surface swabs analysed | 67 |
| Cooked poultry | 92 |
| Cooked seawater and freshwater foods | 63 |
| Dairy products or composite dairy products with the exception of ripened cheese | 189 |
| Desiccated coconut | 2 |
| Dried spices and aromatic plants | 151 |
| Edible Ices | 28 |
| Fruit juice for consumption | 97 |
| General micro analyses of foodstuffs | 176 |
| Ripened cheese | 27 |
| Natural mineral water or bottled water | 91 |
| Partly cooked or uncooked seawater and freshwater foods | 19 |
| Pasteurised milk, pasteurised reconstituted (prepared) milk, pasteurised skimmed milk, pasteurised reconstituted (prepared) skimmed milk or pasteurised cream | 289 |
| Raw milk intended for further processing | 29 |
| Raw milk that has become sour for consumption | 8 |
| Raw milk, raw cream, raw skimmed milk, raw reconstituted (prepared) milk or raw reconstituted (prepared) skimmed milk for consumption | 1 |
| Rooibos tea packed in retail packaging at the point of sale | 1 |
| TOTAL | 1 330 |

WASTE MANAGEMENT

DEFINITION

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

This function refers to:

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

HEALTH SURVEILLANCE OF PREMISES

DEFINITION

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

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

SURVEILLANCE AND PREVENTION OF COMMUNICABLE DISEASES EXCLUDING IMMUNISATIONS

DEFINITION

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

This function entails:

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

VECTOR CONTROL

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

DEFINITION

Monitoring, identification, evaluation and prevention of vectors.

The function refers to:

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

ENVIRONMENTAL POLLUTION CONTROL

DEFINITION

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

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

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

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

DISPOSAL OF THE DEAD

DEFINITION

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

This function refers to the monitoring and certification of:

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

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

COVID-19 RELATED DEATHS

Hospital routinely informs this office who the funeral undertakers are that collect remains, either COVID-19 positive and/or PUIs from the hospital mortuary.



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.

MUNICIPAL HEALTH SERVICES PROJECTS

WATER AND SANITATION SUBSIDY SCHEME

This is an innovative programme implemented within the MHS division, which has attracted national commendation. The subsidy scheme serves as an incentive to farmers for improving the water and sanitation services provided to farm workers.

The 2019/2020 budget for this project was R1 000 000. Subsidies to a maximum of R45 000 per annum is provided per farm for this purpose. Education in the form of health guidance is also provided to the beneficiary communities. Subsidies are provided for running water over kitchen sinks and bathrooms with flush toilets in houses. During 2019/2020:

- a total of 43 properties were serviced through this project.
- subsidies were paid to 25 farms where water and sanitation upgrades were done.
- health and hygiene education were conducted at 16 properties. This project had to be terminated early due to the COVID-19 lockdown.
- direct (hot spot) interventions were implemented on two properties.

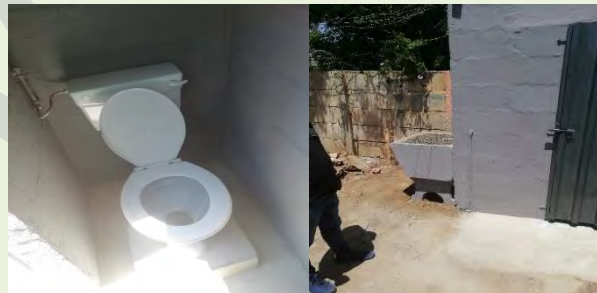
RESTORATION OF DEFECTIVE SEWERAGE DRAINAGE SYSTEM: 55 SAMPSON STREET, RIVERVIEW, WORCESTER

The owners of the property are Mr Gerhard and Mrs Nadine Esterhuysen. Mr Esterhuysen had a massive stroke three years ago, which left him paralysed and wheelchair bound. Mrs Esterhuysen had no choice but to resign from her job in order to take care of her husband. With no income except a meagre disability grant, fixing the toilet that was in complete disrepair was simply out of the question.

Mr and Mrs Esterhuysen expressed their sincere gratitude for the compassion displayed by Council to refurbish their toilet. Completion and handover took place on 18 November 2019.



BEFORE



AFTER

ANNUAL ENVIRONMENTAL HEALTH EDUCATION PROGRAMME



This project aims to create environmental awareness amongst the communities of the CWDM in order to change negative behavioural patterns. This is done through live theatre performances in schools, the development of educational material and formal health education at industries/businesses and organisations.

During the 2019/2020 financial year, this programme reached a total of 34 schools and approximately 8 871 children with a budget of R300 612 that was downscaled from R445 537 due to COVID-19 impacts.

Unfortunately, this project had to be terminated early due to the COVID-19 pandemic lockdown and only 34 of the target 60 schools were reached.



COVID-19 PANDEMIC RESPONSE

MHS, being considered an essential health service, provided the following services and interventions in relation to COVID-19:

- a. MHS formed part of a multidisciplinary team and as such attended five local, district and provincial JOC meetings.
- b. EHPs have assisted in the following ways:
 - Providing health services by creating awareness and distributing awareness materials and, if required, assisting with contact tracing in communities.

- Visiting and ensuring that the homeless shelters and temporary isolation and quarantine sites comply with the necessary requirements.
- Conducting regular testing to ensure that the water stored in the water tanks donated by national government and placed in communities is safe for human consumption.
- Conducting evaluations at the various schools where feeding schemes have been activated.
- Assisting schools to comply with COVID-19 measures.
- Distributing information to homes that describe the safe way to dispose of waste generated by someone with coronavirus.
- Ensuring that funeral undertakers and morgues are informed on how to manage the bodies of loved ones that have passed away due to the coronavirus.
- Continuous monitoring compliance with COVID-19 measures.
- Assist in the investigation of COVID-19 incidents.
- Assisting various businesses to comply with COVID-19 requirements and providing training to staff and owners of business entities and the provision of information posters and pamphlets.

EHPs assisting school and crèches with Social distancing and sanitisation



Manyano Centre: Isolation Site

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.

2nd Generation CWDM Air Quality Management Plan

In order to ensure proactive and effective air quality management and planning within the CWDM, the municipality developed a 2nd Generation AQMP for the district in accordance with Section 15(1) of NEM: AQA.

The CWDM AQMP was approved by the Council in 2018 and has been included as a sector plan in the IDP. The inclusion of the CWDM AQMP into the CWDM IDP subsequently indicates the CWDM's commitment to air quality management and the statutory obligations of NEM: AQA.

Air Quality Training

Air Quality Officer and/or CWDM officials attended the following capacity building and training activities in relation to air quality:

- Department Rural Development and Land Reform - Climate Change Training - July 2019
- Department of Environmental Affairs and Development Planning, Directorate Air Quality Management (DEA&DP) - Environmental Noise Training - August 2019
- Department of Environment, Forestry and Fisheries (DEFF) & DEA&DP - South African Atmospheric Emission Licensing and Inventory System Training - September 2019
- DEFF & DEA&DP - Introduction to Air Quality Management Training - December 2019
- DEFF - National Atmospheric Emissions Inventory System Training / Capacity Building Workshop - February 2020
- DEA&DP - Emission Inventory Training – March 2020



Emission Inventory Training

Air Quality Monitoring

The Western Cape Ambient Air Quality Monitoring Network includes three DEA&DP maintained ambient air quality monitoring stations in operation within the CWDM. The DEA&DP coordinates monitoring data from these continuous air quality monitoring stations, which provided the CWDM with a perspective on air quality within the area where these stations are placed.

Table: Ambient Air Monitoring Stations in CWDM

| LOCATION | POLLUTANTS MONITORED | STATUS |
|--|---|-------------|
| Meirings Park Electrical Substation, Worcester | SO ₂ , O ₃ , NO _X , CO, PM ₁₀ , H ₂ S and full meteorological parameters | Operational |
| CWDM Office, Dorp Street, Stellenbosch | SO ₂ , O ₃ , NO _X , CO, CO ₂ , PM ₁₀ & 2.5, VOCs (BTEX) and full meteorological parameters | Operational |
| Traffic Department, Van Riebeeck Road, Paarl | SO ₂ , O ₃ , NO _X , CO and full meteorological parameters | Operational |

The Worcester ambient air quality monitoring station was selected as part of the DEFF National Air Quality Indicator (NAQI) project for reporting of PM₁₀, PM_{2.5} and SO₂, as indicator pollutants. The Worcester station was supplemented with an improved data logging system and particulate matter analyser in order to report to NAQI and to support the development of the NAQI for South Africa.

Intergovernmental Cooperation / Industry Working Groups

The CWDM continued to promote communication with all spheres of government, industry and the public on matters pertaining to air quality management within the CWDM.

In addressing complaints and general air quality management within the district, cooperation between the CWDM, DEA&DP and local municipalities was reinforced during this reporting period. This entailed complex air quality matters being directed to DEA&DP for investigation and/or environmental authorisation, investigations and/or meetings with DEA&DP directorates, local municipalities, industry and the public on air quality matters.

Membership of the CWDM Industrial Air Quality Forum includes all Section 21 listed activities, Section 23 activities and air quality officers from local municipalities. The CWDM kept these members updated on new and amended air quality management legislation and available air quality related activities such as seminars.

CWDM successfully partook in AQM information sharing on national, provincial, local municipal and industry level with regard to the following:

- Governance Lekgotla in Stellenbosch
- Quarterly and Special Western Cape Air Quality Officer and Noise Forum Meetings
- Air Quality Officer's Report 2019
 - Input into the National Air Quality Officer's Report 2019
 - Input into the Western Cape Air Quality Officer's report 2019
- Local Government Climate Change Support Programme

- Meetings with different WC: DEA&DP directorates and local municipalities on NEMA Section 30 incidents and Environmental Authorisations.

Emissions Inventory

All Section 21 listed activities and Section 23 controlled emitters in operation during this reporting period were captured and included in a comprehensive CWDM database indicated the tables below.

In order to administer a more comprehensive provincial emission inventory, DEA&DP instituted an action plan to assess the current status of the emission inventory and to establish a strategy to update the existing emission inventory, inclusive of all the identified facilities and appliances within all the municipalities. DEA&DP launched an initiative in the CWDM with emission inventory training inclusive of training on the legal mandate, the capturing of facilities and appliances in an emission inventory, and a practical exercise to local municipal AQOs and officials from CWDM MHS.

National Atmospheric Emission Reporting Regulations require facilities to report emission data in order to compile an atmospheric emission inventory for South Africa. All section 21 facilities and Section 23 operators within the CWDM are registered on with National Atmospheric Emissions Inventory System (NAEIS) and reporting occurs in terms of the National Atmospheric Emission Reporting Regulations.

SECTION 21 LISTED ACTIVITIES – ATMOSPHERIC EMISSION LICENSING

The CWDM renewed a number of atmospheric emission licences (AELs) for Section 21 listed activities in terms of Section 47 during the reporting period. AEL conditions of authorisation and requirements were reviewed and new conditions and requirements were set to ensure the protection of the environment, including health, social conditions, economic conditions, cultural heritage and ambient air quality from harm as a result of the operation of these facilities.

Picture: Sampling train for in-stack monitoring

Upon renewal of the AEL for a Category 10: Animal Matter Processing listed activity, the facility undertook to annually conduct voluntary independent emission monitoring as a self-regulatory tool in the absence of limit values for odour indicators and the legislation for odorous emissions at Category 10 facilities. The voluntary monitoring agreed upon will enable the facility to improve release emissions and set mitigation measures upon high-release emissions.



All listed activities were visited during the reporting period and complaints were followed up at these facilities to ensure the industries do not impact negatively on the health and wellbeing of receptor communities and to assess compliance with relevant legislation.

Table: Section 23 Controlled Emitters

| ACTIVITY | ACTIVITY DESCRIPTION |
|--------------------------|---|
| Ashton & Langeberg Foods | Small Boiler - Coal fired boiler |
| Ceres Fruit Juices | Small Boiler - Coal & HFO fired boilers |
| Ceres Fruit Processors | Small Boiler - Coal fired boilers |
| Distell | Small Boiler - Coal fired boiler |

Table: Section 21 Listed Activities

| ACTIVITY | RENEWED AEL | ACTIVITY DESCRIPTION |
|--|------------------------|------------------------------|
| Boland Bricks | Renew | Clamp kilns brick production |
| Cabrico Brickfields | Renew | Clamp kilns brick production |
| Cape Lime | Finalised to be issued | Lime production |
| De Hoop Brickfields | In process | Brick production |
| Drakenstein Crematorium | Renew | Crematorium |
| IC-SA Crematorium | Renew | Crematorium |
| Naude Bakstene Bk | Renew | Clamp kilns brick production |
| Nuwejaarsrivier Landgoed t/a Paarl Brickfields | Renew | Clamp kilns brick production |
| McMillan Bricks | Renew | Clamp kilns brick production |
| RCL Foods | Renew | Animal Rendering Plant |
| Rheinmetall Denel Munition | In process | Ammunition production |
| Twohil Company t/a Tulbagh Bricks | Renew | Clamp kilns brick production |
| Western Cape Provincial Veterinary Laboratory | In process | Veterinary Waste Incinerator |
| Worcester Bakstene | Section 21 | Clamp kilns brick production |

AIR QUALITY RELATED COMPLAINTS

The CWDM received few complaints on the operation of listed activities or Section 23 facilities during this reporting period. The majority of the complaints received were mostly related to agricultural activities and agricultural related activities such as compost manufacturing, crop dusting and burning of agricultural waste.



Dust and smoke compliant investigation

The COVID-19 pandemic resulted in a decline in air quality related complaints received by the CWDM.

Table: Air Quality Complaints

| COMPLAINTS | July – September 2019 | October – December 2019 | January – March 2020 | April – June 2020 |
|----------------------|-----------------------------|-------------------------------|----------------------------|-------------------------|
| Fumes | 0 | 3 | 1 | 1 |
| Smoke | 2 | 2 | 2 | 1 |
| Dust | 3 | 3 | 2 | 1 |
| Burning waste/ Tyres | 0 | 2 | 3 | 0 |
| Farm land burning | 1 | 0 | 1 | 3 |
| Crop spraying | 1 | 1 | 1 | 0 |
| Offensive odours | 9 | 9 | 8 | 1 |
| TOTAL | 16 | 20 | 18 | 7 |

❖ Note that noise complaints resort under the local municipalities.

SUCCESSSES

- The working relationship between AEL holders and the CWDM to ensure compliance with the relevant legislation and to minimise the negative affect on the receptor community.
- Successful renewal of AELs applied for in terms of Section 47 and the amended conditions of authorisation to attain compliance with ambient air quality standards.
- The open intergovernmental working relationship with regard to air quality management fostered by the CWDM with the respective local municipalities and DEA&DP.

COMPONENT H: SECURITY AND SAFETY

DIVISION: DISASTER MANAGEMENT SERVICES

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 the following:

- 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, including:
 - Prevention: How to avoid the adverse impacts of a hazard, i.e. awareness and education programmes.
 - Mitigation: This can include structural or non-structural measures undertaken to limit the adverse impacts of a hazard, i.e. 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 (food parcels, blankets) or of a protracted duration (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. These 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 2019/2020 took place in November 2019 and June 2020.



The Disaster Management Division also provides the following.

Capacity at the local municipalities: The Disaster Management Division supported the Breede Valley and Witzenberg municipalities with an intern to assist with the function of disaster management. The provision of an intern is the first step to build capacity within these municipalities. In many municipalities, the function of disaster management is the responsibility of the chief fire officer and they do not have a designated disaster management officer to perform the function of disaster management. The Disaster Management Division also supported the Breede Valley, Drakenstein, Stellenbosch and Witzenberg municipalities with an incident reporting, management and communication system to assist with the coordination of disaster management in the district.

Assistance at events: The Safety at Sports and Recreational Events Act, 2010 (Act No. 2 of 2010) stipulates the role of disaster management at events. The Disaster Management Division provided support to numerous community, school and sporting events throughout the financial year. The support included guidance to event organisers, attending local organising committee meetings for medium- to high-risk events, representation in the venue operations centre at high-risk events and assistance with equipment such as mobile generators, mobile lighting unit, mobile kitchen and portable toilets.

Early warnings: The Disaster Management Division provides early warnings to all Disaster Management Advisory Forum members, local municipalities and internal departments. During the 2019/2020 financial year, the following information was distributed regularly:

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

RELIEF ACTIVITIES

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

Co-ordination of COVID-19: The Disaster Management Division established a COVID-19 Joint Operations Centre for the purpose of the coordination of response and relief effort for the COVID-19 pandemic.



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

- 1 000 smoke alarms distributed to Breede Valley, Drakenstein and Stellenbosch municipalities.
- R2,5m worth of fire equipment and personal protective equipment provided to the Fire Services of the five local municipalities.

- A social risk assessment completed in De Doorns. This formed the preliminary investigation into the dynamics of the communities living in the Hex Valley in an attempt to try to address the underlying causes that result in protests and the looting of trucks.
- Investigation into the development of a CCTV network and monitoring facility to try to reduce the number of incidents of the looting of trucks.

DIVISION: FIRE SERVICES

VELD FIRE SEASON

The fire season has not been the most challenging fire season ever endured, but it was still a busy and rough one with a very stressful period during the months of February and March. The Fire Services responded and attended to more than 1 000 fires reported from 1 September 2019 to 30 April 2020. Although the numbers are not extraordinary on their own, the biggest problem has been the number of simultaneous fires occurring, which resulted in the resources available being stretched beyond the limits. Apart from the sheer number of fires, the extreme weather conditions over prolonged periods of time, high temperatures and strong winds also contributed to making suppression operations very difficult.

Firefighting personnel and equipment from various agencies were tested and stretched to the limit on numerous occasions and full incident command teams were deployed to manage a number of the operations. A unified command post was established at all the major fires to ensure the safety of the fire crews, to manage and coordinate the incident action plans.

The high number of fires and especially the major and devastating fires could in many instances only be attended to with the assistance of the local municipalities, Cape Nature, members of the Fire Protection Association, contracted ground veld fire crews and aerial firefighting support.

The most devastating and destructive fires were in the vicinity of Du Toitskloof, Paarl, McGregor, Franschhoek/Bergriverdam, Bainskloof, Brandvlei, Slanghoek and Kluitjieskraal/Wolseley. The majority of the other larger fires were brought under control and extinguished within a period of two days.

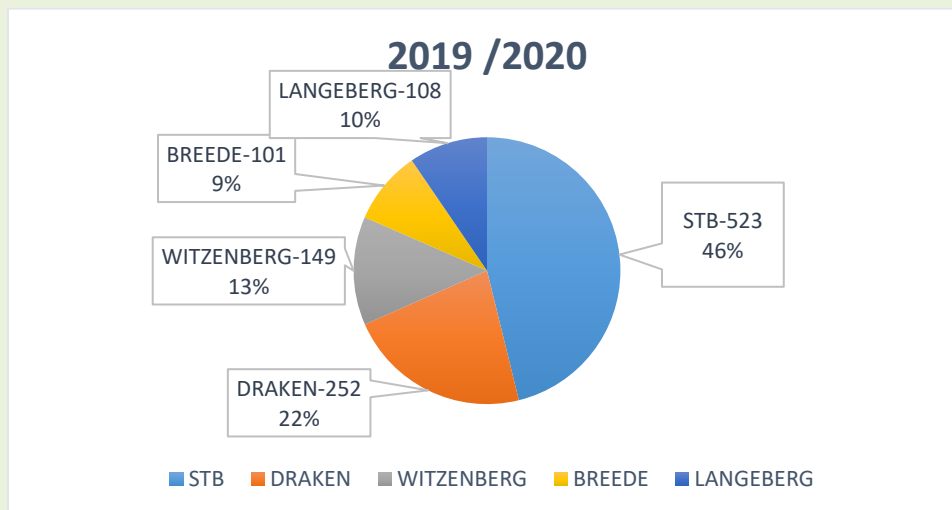
The extent of the areas of vegetation burned amounts to more than 50 000 hectares. Aerial resources were called out on 35 occasions. The total cost to the CWDM for the use of aerial support and ground veld fire crews amounts to approximately R15 600 000. The WCG also assisted by providing aerial support as initial attack on a number of occasions and also provided a specialised ground firefighting team.

The incident command team and fire crews did extremely well to manage the incidents, contain the devastating blazes and avoid catastrophic fires. No serious damage to property was reported and other damages include vineyards, orchards, water pipes, water tanks, fences, etc.

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

The Fire Service will always do everything they can to provide the best service to the community and to comply with their primary goal to eliminate loss of life and reduce property loss.

Number of incidents per municipal area



INTER-AGENCY INVOLVEMENT

Cape Winelands District Veld Fire Workgroup

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

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

Local Municipalities

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

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.

Fire Safety Management

The Fire Services assisted with the fire safety management of all Council buildings by coordinating and supervising the servicing of all fire protection equipment and fixed installations in accordance with SANS10105.

Cape Winelands Fire and Rescue Training Academy

The Cape Winelands Fire and Rescue Training Academy was under severe pressure during the past year, mainly due to the shortage of manpower and the change in the newly adopted policies and procedures by our accreditation bodies. Despite all these challenges, the academy still managed to fulfil

our legislative obligation by training approximately 135 members of our own staff and those from our neighbouring municipalities. A major drawback was the negative impact of the COVID-19 pandemic that forced the academy to explore alternative means of training and that brought about the rolling out of our first virtual training programme. One of our big achievements was receiving accreditation for the NFPA Fire Officer 1 programme that is aimed to aid, coach and mentor potential officers. In the face of our many battles, the support of all stakeholders and collaborators is crucial to overcome the barriers that may hamper our operations.

COVID-19 response

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

Besides being available to assist locals, our Fire Services have also ensured that its own office buildings and sites are decontaminated and ready and safe for its personnel to return to work when regulations allow for it.

FINANCIAL AND STRATEGIC SUPPORT SERVICES

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

EXECUTIVE AND COUNCIL

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

Introduction to Executive and Council

Vision

A unified Cape Winelands of excellence for sustainable development

Mission

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

Core Values

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

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

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

PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

Introduction: Legal Services

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

Legal Priorities

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

Legal Impact

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

Introduction: Property Management

Property management is the process of managing the property of the CWDM by maintaining and handling activities incidental to the property in order to maximise the use of all the properties as contained in the property register and to provide optimal financial, social, economic and operational benefit 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. He also ensures that the district municipality has and 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 or 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, etc., relating to immovable assets;
- the systems, procedures and registers required to substantiate 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 to ensure the district municipality's financial resources are optimally 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 pertaining to the financial administration of immovable assets.

Property Management Impact

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

- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and
- the provision 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 life-cycle and providing asset visibility through data capturing during the use and disposition phases.

Comment on the Performance of Property Services Overall

No capital projects.

INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communication Technology (ICT) forms an integral part of the backbone of the organisation and is essential for critical activities performed by the municipality. The ICT requirements change continuously in response to threats and opportunities that technology presents. The speed at which we respond to the technology environment provides the CWDM with its tactical advantage.

On 27 March 2020, the Municipality was put into lockdown as a result of the Coronavirus COVID-19. For business to continue, many office-bound colleagues were issued with laptops and 4G data bundles to enable them to work from home. Working offsite was facilitated by the Microsoft Teams application and access to the network was facilitated by a virtual private network technology that provides secure access over the internet. For many of the employees and Council members the technology change presented a trial by fire. The changes were forced upon us and presented a significant challenge. The months-long training and change management plans were no longer viable and what was originally planned for a few months happened in weeks. During this difficult time, the Cape Winelands rose to the challenge, learned the new technology quickly and became technologically and operationally functional.

Below follows an overview of the achievements reached and challenges experienced in this division during the financial year.

IT SYSTEMS AND APPLICATIONS

- **STORAGE AND SERVERS**

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

- **BACKUP AND REPLICATION**

All production servers are backed up and replicated in real time to the disaster recovery centre. This is achieved using the VEEAM Backup and Replication software. The system allows for disk-to-disk backup, offsite tape backup as well as production and disaster recovery site replication. VEEAM is being used to replicate the production servers with the disaster recovery servers.

- **NETWORKING AND SECURITY**

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

The security of the network is achieved by a blended solution of hardware firewalls, antivirus software and cloud-based email screening. The firewall solution is in its first year of operation after an upgrade in the 2018/2019 financial year. The upgrade provided greater capacity for screening and access control. The virus protection application is installed on all Cape Winelands computers and is updated continuously as new threats are identified. The email screening serves two purposes: It prevents sinister applications from accessing the Cape Winelands network via email and monitors erroneous usage of email.

- **PROJECTS**

- a. Office 365 rollout: The Microsoft Office 365 purchase includes a set of productivity tools. These tools are being rolled out in an orderly way to ensure maximum adoption and benefit. In addition to the technical rollout, the ICT unit partnered with the Training unit and the HR unit to develop a change management and adoption programme. The resources required for the programme were supplied by Microsoft at no charge. The training was to start on 23 March 2020, but was paused as a result of the COVID-19 pandemic. Instead of the full training being provided, the training time was used for preparing for the eminent lockdown. This included a rollout of laptops and a crash course in basic Microsoft Teams training. The in-depth training remains on hold.
- b. Environmental Health Services (EHS) tablets: Tablets were configured and ready for EHS. With these new devices, the EHS inspections would be completed electronically and the information would be added to the system in 'real time'. The training and change management are ongoing. The process was halted on 20 March 2020 as a result of the impending lockdown. The tablets and data were repurposed to provide network access for office-bound colleagues that were going to work from home during the lockdown. The project will be restarted once the items are no longer needed by the office-bound colleagues working from home.
- c. 4G data rollout: The lockdown that started on 26 March 2020 required most personnel to vacate offices. In order to remain operational, all laptops from the redundant stores were restored to operational levels (as far as possible) and rolled out with 4G routers and data.
- d. Security assessment: An independent vulnerability test was conducted by 1st Distribution. The test is conducted by an advanced intrusion detection software application that is run on the network for seven (7) days. Over two thousand vulnerabilities were discovered. The ICT unit is in the process of resolving the vulnerabilities.
- e. Robotic Process Automation capability: With the 4th industrial revolution in full sway, the ICT unit has completed its investigation into Robotic Automation to assist with responses to the barrage of security vulnerabilities. To that end, the OpenRPA product has been chosen. This is the first software robotics project for the CWDM. The first robots will be put into production in the first quarter of the 2020/2021 financial year.
- f. The ICT policy framework was reviewed and is in line with guideless received from SALGA.

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

INTRODUCTION

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

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

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

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

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

Employee performance management is a vital process of a municipality. Therefore, it is important that performance management principles are integrated into the organisational processes and aligned within the district municipality's IDP. Organisational processes such as planning, budgeting, monitoring and evaluation should be aligned with departmental and employee performances in order to ensure improved community services and improved quality of life for all living inside the Cape Winelands district borders. To achieve the aforementioned, the measurements of individual performances within the municipality are important. Organisational KPIs are continuously developed, updated and aligned to organisational objectives. The CWDM always attempts to ensure that these KPIs are specific, measurable, achievable and realistic and linked to a specific timeframe (SMART). A complete institutional performance management system must incorporate a comprehensive employee performance management system. The Individual Performance Management Policy has been designed to assist with performance management of employees appointed in terms of Section 55(1)(e) of the MSA, within the Cape Winelands District Municipality.

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

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

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

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

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

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

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

The motivation for the additional two-year extension for Year 5 (from 01 July 2021 to 30 June 2024: T12 - T6) stems from the fact that the bulk of first-line supervisors falls within this levels. The academic and professional levels of the affected officials (in this group) are much lower than the previous groups and require proactive training on professional and strategic management functions. For the effective planning, implementing, measuring, monitoring, improving and sustaining of employee performances,

officials on T12-T6 levels must be adequately trained beforehand to ensure the effective implementation of individual performance management on the mentioned levels.

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

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

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

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

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

In addition, the approved 4th generation IDP formed the basis of new KPIs for the 2019/2020 and outer financial years. A number of new KPIs were therefore included in the Organisational, Municipal Manager and Section 56 Managers' scorecards.

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

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

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL**4.1 EMPLOYEE TOTALS, VACANCIES AND TERMINATIONS****EMPLOYEE TOTALS**

| EMPLOYEES | | | | | |
|---------------------------------------|--------------------------------------|---|--------------------------------|------------------------------------|------------------------|
| Description | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Number of employees | Number of approved posts | Number of employees | Number of vacancies | Vacancies % |
| Water | 0 | 0 | 0 | 0 | 0% |
| Waste Water (Sanitation) | 0 | 0 | 0 | 0 | 0% |
| Electricity | 0 | 0 | 0 | 0 | 0% |
| Waste Management | 0 | 0 | 0 | 0 | 0% |
| Housing | 4 | 0 | 0 | 0 | 0% |
| Waste Water (Storm Water Drainage) | 0 | 0 | 0 | 0 | 0% |
| Roads | 159 | 186 | 151 | 35 | 18.82% |
| Transport | 2 | 2 | 1 | 1 | 50% |
| Planning | 1 | 1 | 1 | 0 | 0% |
| Local Economic Development | 4 | 4 | 4 | 0 | 0% |
| Community and Social Services | 12 | 15 | 14 | 1 | 6.67% |
| Environmental Protection | 0 | 0 | 0 | 0 | 0% |
| Health | 49 | 53 | 50 | 3 | 5.66% |
| Public Safety | 59 | 77 | 61 | 16 | 20.78% |
| Sport and Recreation | 0 | 0 | 0 | 0 | 0% |
| Corporate Policy Offices and other | 120 | 338 | 139 | 17 | 5.03% |
| TOTALS | 406 | 493 | 420 | 73 | 15.43% |

| EMPLOYEES: THE EXECUTIVE AND COUNCIL | | | | | |
|---|----------------------------------|-----------------------------|--------------------------------|--|---|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies as a % of total posts) |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 6 | 6 | 6 | 0 | 0% |
| T9 – T13 | 3 | 3 | 3 | 0 | 0% |
| T14 – T17 | 1 | 1 | 0 | 1 | 100% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| MM & Section 56 employees | 4 | 4 | 4 | 0 | 0% |
| Councillors | 41 | 41 | 41 | 0 | 0% |
| TOTAL | 55 | 55 | 54 | 1 | 1.85% |

| EMPLOYEES: FINANCIAL SERVICES | | | | | |
|--------------------------------------|--------------------------------------|-----------------------------|--------------------------------|--|---|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies as a % of total posts) |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 6 | 10 | 9 | 1 | 10% |
| T9 – T13 | 9 | 17 | 16 | 1 | 5.88% |
| T14 – T17 | 3 | 5 | 5 | 0 | 0% |
| T18 – T19 | 1 | 1 | 1 | 0 | 0% |
| TOTAL | 19 | 33 | 31 | 2 | 6.06% |
| T3.25.6 | | | | | |

| EMPLOYEES: HUMAN RESOURCE SERVICES | | | | | |
|---|--------------------------------------|-----------------------------|--------------------------------|---|---|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full- time equivalents) | Vacancies as a % of total posts) |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 0 | 1 | 0 | 1 | 100% |
| T9 – T13 | 5 | 6 | 5 | 1 | 16.67% |
| 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 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| T1 – T3 | 28 | 55 | 47 | 8 | 14.55% |
| T4 – T8 | 107 | 108 | 91 | 17 | 15.74% |
| T9 – T13 | 25 | 17 | 10 | 7 | 41.18% |
| T14 – T17 | 7 | 4 | 2 | 2 | 50% |
| T18 – T19 | 1 | 2 | 1 | 1 | 50% |
| TOTAL | 168 | 186 | 151 | 35 | 18.82% |

| EMPLOYEES: ICT SERVICES | | | | | |
|--------------------------------|----------------------------------|-----------------------------|------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 1 | 1 | 1 | 0 | 0% |
| T9 – T13 | 4 | 5 | 4 | 1 | 20% |
| T14 – T17 | 2 | 2 | 2 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 7 | 8 | 7 | 1 | 12.5% |

| EMPLOYEES: PLANNING SERVICES | | | | | |
|-------------------------------------|--------------------------------------|-----------------------------|--------------------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | | | | | |
| T1 – T3 | 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 | 10 | 0 | 0% |

| EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES | | | | | |
|---|----------------------------------|-----------------------------|------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | 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 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | 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 | 40 | 44 | 41 | 3 | 9.09% |
| T14 – T17 | 9 | 9 | 9 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 49 | 53 | 50 | 3 | 5.66% |

| EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC. | | | | | |
|--|--------------------------------------|-----------------------------|------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 0 | 0 | 0 | 0 | 0% |
| T9 – T13 | 3 | 3 | 3 | 0 | 0% |
| T14 – T17 | 1 | 1 | 1 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 4 | 4 | 4 | 0 | 0% |

| EMPLOYEES: FIRE SERVICES | | | | | |
|---------------------------------|--------------------------------------|-----------------------------|------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| Chief Fire Officer and Deputy | 2 | 2 | 2 | 0 | 0% |
| Other Fire Officers | 1 | 1 | 1 | 0 | 0% |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 18 | 19 | 17 | 2 | 10.53% |
| T9 – T13 | 42 | 55 | 41 | 14 | 25.45% |
| T14 – T17 | 0 | 0 | 0 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 63 | 77 | 61 | 12 | 20.78% |

| EMPLOYEES: PROPERTY, LEGAL, IDP, PERFORMANCE & RISK MANAGEMENT AND PROCUREMENT SERVICES | | | | | |
|--|----------------------------------|-----------------------------|----------------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2019 | YEAR 0: 30 JUNE 2020 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies as a % of total posts |
| T1 – T3 | 14 | 14 | 14 | 0 | 0% |
| T4 – T8 | 12 | 14 | 14 | 0 | 0% |
| T9 – T13 | 8 | 13 | 10 | 3 | 27.08% |
| T14 – T17 | 3 | 5 | 5 | 0 | 0% |
| T18 – T19 | 0 | 1 | 1 | 0 | 0% |
| TOTAL | 38 | 47 | 44 | 3 | 6.38% |

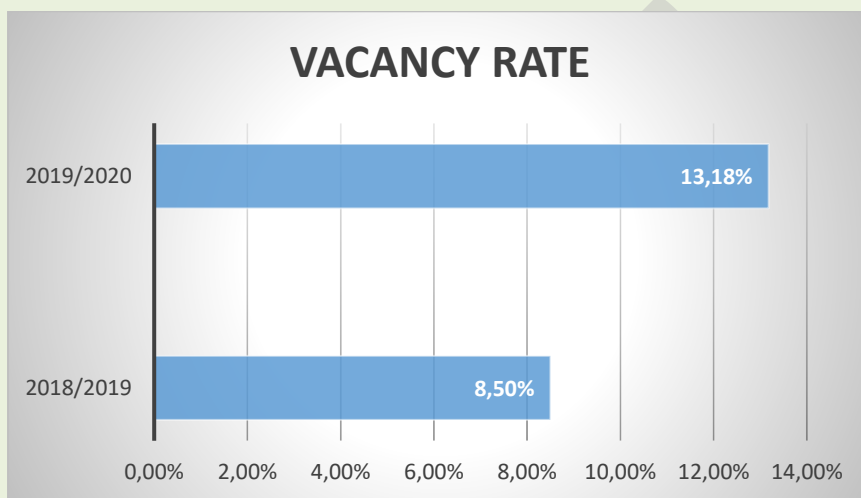
VACANCIES

| VACANCY RATE: 2019/2020 | | | |
|---|-----------------------------|--|--|
| 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 | 78 | 15 | 19.23% |
| Senior Management levels T18 – T19 (excluding finance posts) | 4 | 0 | 0% |
| Senior Management levels T18 – T19 (finance posts) | 1 | 0 | 0% |
| Professionally qualified levels T14 – T17 (excluding finance posts) | 33 | 3 | 9.09% |
| Professionally qualified levels T14 – T17 (finance posts) | 6 | 0 | 0% |

COMMENT ON VACANCIES AND TURNOVER

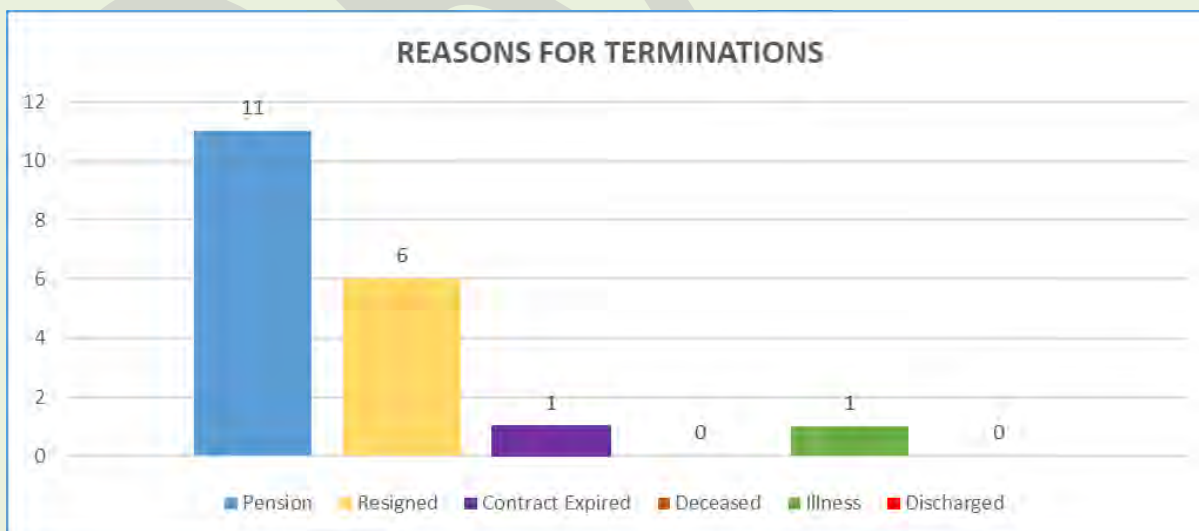
The post of Municipal Manager and all Section 56 posts were filled during the 2019/2020 financial year.

On 30 June 2020, the approved staff establishment of the CWDM consisted of a total of four hundred and ninety three (493) posts of which four hundred and twenty (420) were filled and seventy three (73) were vacant. Of the total of seventy three (73) vacancies only sixty five (65) were budgeted during the 2019/2020 financial year, resulting in a vacancy rate of 13,18%. The vacancy rate over the past two financial years calculated on budgeted vacancies is best reflected as follows:



TERMINATIONS

A total of nineteen (19) 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. |
| 2018/2019 | 414 | 22 | 5.31% |
| 2019/2020 | 408 | 19 | 4.66% |

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

All training initiatives implemented within the CWDM are directly linked via the SDBIPs to the CWDM IDP. For the 2020/2021 financial year, the CWDM continued the prioritisation of training on Minimum Municipal Competency Levels (MMCL) as required in terms of the MFMA: Municipal Regulation on Minimum Competency Levels. Apart from new appointees, all affected officials comply with the mentioned regulations.

Regulatory developments affecting machine operators as determined by the Driven Machinery Regulation 18(1) and the National Code of Practice for Training Providers to Lifting Machines, steered the CWDM into the implementation of various interdependent technical training programmes. This focus will continue for the next year to ensure full compliance with the mentioned regulations and coupled occupational health and safety legislative requirements. In addition and as a result of our aged staff component, the Roads Department experienced an exodus of experienced middle and senior management staff (mainly due to retirements), thus the current focus in this department is to develop internal staff members to fill these skills gaps and create a sufficient database of experienced and qualified officials.

The successful Continuous Professional Development Online Training programmes now ensure the annual compliance of environmental health practitioners (EHPs) as required by the Health Professions Council of South Africa (HPCSA). In addition, as from the 2019/2020 year, emergency workers (firefighters and disaster management personnel) will also enjoy continuous professional development as part of the latter training programme. Additionally, through the annual Environmental Health Internship programme, the CWDM also ensures work-ready and qualified new EHP entrants into the South African labour force.

Internal ICT challenges necessitated the organisation to prioritise ICT training. In order to address these challenges and also to continuously upskill our ICT Unit, specialised ICT courses will always be a priority within the organisation.

In the 2019/2020 year, the CWDM further focused on the education part of organisational capacitation. The Certificate in Office Administration and the Certificate in Supply Chain Management were highly successful programmes offering relevant officials first qualifications, with both of the latter programmes ending with a 100% pass rate.

The impact of the COVID-19 was severe on the training and development function within the CWDM. The lockdown period that commenced in March 2020 hugely affected already scheduled training programmes, with the postponement of various regulatory and strategic interventions. Due to the COVID-19 lockdown, much needed leadership and management training projects will be implemented in the 2020/21 year. These included a combination of various strategic training and mentorship programmes from top management to first-line supervisors.

Regulatory training such as Employment Equity Training is also affected and will be implemented in the next financial year. Also, the COVID-19 lockdown impacted the spending of the training budget by almost 40%. However, and fortunately for the CWDM, we commenced the focus moving towards e-learning programmes as from the 2015/16 year, thus lessening the current learning barriers experienced by other municipalities.

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

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

During the 2019/2020 financial year, the CWDM gave continuous effect to the implementation of the Employment Equity Plan.

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

EMPLOYMENT EQUITY FORUM

The CWDM has established an Employment Equity Forum and sourced the expertise of Global Business Solution who will provide an interactive and practical Employment Equity 12-month Training Programme to officials and/or stakeholders in order to equip and empower them with the knowledge, the attitude and the skills to intervene effectively, as well as to enable them with the necessary confidence to fulfil their roles, responsibilities as well as obligations within the workplace.

EMPLOYEE WELLNESS

The Centre for Occupational and Wellness Services was appointed on 15 June 2020 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 to manage the competing time demands and stress of today's world, including COVID-19 challenges. The programme is managed by a multidisciplinary, multilingual team of professionals, including psychologists, social workers, registered counsellors, dieticians, legal advisors, financial advisors, debt counsellors, physiotherapist, biokineticist, chiropractors, etc.

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

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

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

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

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

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

COVID-19 PANDEMIC

On 11 March 2020 the World Health Organisation (WHO) declared the coronavirus COVID-19 outbreak as a pandemic. There is currently no vaccine to prevent COVID-19 and the best way to prevent infection is to avoid being exposed to the virus.

Thus, to assist employers to ensure a safe and healthy environment as far as practically possible for employees in the workplace in respect of the COVID-19 pandemic, the Minister of Cooperative Governance and Traditions Affairs, Dr Nkosazana Dlamini Zuma, in Regulation Gazette No. 11098 published in Government Gazette 43258, Government Notice No. R.480 of 29 April 2020, issued directives in terms of section 27(2) of the Disaster Management Act, 2002 (Act No. 57 of 2002) as amended by the regulations published on 28 May 2020 in Government Gazette 43364, Government Notice No R.608.

The Minister of Employment and Labour, Thembelani Waltermade Nxesi, issued the Directive on COVID-19 Health and Safety Measures in Workplaces, published in Government Gazette No. 43257, Government Notice No. 479 on 29 April 2020, which is now replaced by the Consolidated COVID-19 Direction on Health and Safety in the Workplace issued by the Minister in terms of Regulation 4(10) of the National Disaster Regulations issued on 04 June 2020 published in Government Gazette No. 43400, Government Notice No. 639 in terms of Regulation 10(8) of the regulations issued by the Minister of Cooperative Governance and Traditional Affairs.

A COVID-19 Workplace Plan for the CWDM was compiled and approved on 18 May 2020, in accordance with alert level 4 regulations and directives, as mentioned above. The COVID-19 Workplace

Plan for the CWDM was again amended on 30 June 2020 to align with alert level 3 regulations and directives.

Mr Peter Rogers was appointed by the Municipal Manager as the Compliance Officer of the CWDM in accordance with the aforementioned regulations and directives. Compliance persons were also nominated and appointed by the Municipal Manager at the CWDM regional offices to strengthen the roles and responsibilities of the Compliance Officer. A protocol for dealing with COVID-19 cases or suspect cases of the virus in the workplace, in accordance with the Department of Health's guidelines was also distributed to all the employees of the CWDM.

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

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

WORKFORCE PROFILE: DEPARTMENTS - JUNE 2020

| | MALE | | | | FEMALE | | | |
|---|--------------|---------------|-------------|--------------|--------------|--------------|-------------|--------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |
| CWDM Targets | 18.3% | 25.8% | 0.6% | 10.1% | 14.9% | 21.5% | 0.3% | 8.6% |
| Office of the Municipal Manager: June 2020 | 0.0% | 18.2% | 0.0% | 9.1% | 27.3% | 27.3% | 0.0% | 18.2% |
| Office of the Municipal Manager: May 2020 | 0.0% | 18.2% | 0.0% | 9.1% | 27.3% | 27.3% | 0.0% | 18.2% |
| Financial & Strategic Support Services: June 2020 | 4.7% | 20.9% | 0.0% | 7.0% | 11.6% | 37.2% | 0.0% | 18.6% |
| Financial & Strategic Support Services May 2020 | 4.7% | 20.9% | 0.0% | 7.0% | 11.6% | 37.2% | 0.0% | 18.6% |
| Community Development & Planning Services: June 2020 | 9.2% | 38.2 % | 0.0% | 26.0% | 10.7% | 15.3% | 0.0% | 0.8% |
| Community Development & Planning Services: May 2020 | 9.2% | 38.2 % | 0.0% | 26.0% | 10.7% | 15.3% | 0.0% | 0.8% |
| Technical Services: June 2020 | 34.2% | 38.0% | 0.0% | 7.0% | 8.6% | 10.2% | 0.0% | 2.1% |
| Technical Services: May 2020 | 33.9% | 38.1% | 0.0% | 7.4% | 8.5% | 10.1% | 0.0% | 2.1% |
| CWDM GLOBAL: JUNE 2020 | 19.1% | 34.3% | 0.0% | 13.1% | 10.2% | 17.9% | 0.0% | 5.5% |
| CWDM GLOBAL: MAY 2020 | 19.1% | 34.0% | 0.0% | 13.2% | 10.3% | 17.9% | 0.0% | 5.5% |

WORKFORCE PROFILE: CWDM GLOBAL - JUNE 2020

| | MALE | | | | FEMALE | | | |
|--|--------------|--------------|-------------|--------------|--------------|--------------|-------------|--------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |
| CWDM Targets | 18.3% | 28.8% | 0.6% | 10.1% | 14.9% | 21.5% | 0.3% | 8.6% |
| Top Management (June 2020) | 0.0% | 50.0% | 0.0% | 25.0% | 0.0% | 25.0% | 0.0% | 0.0% |
| Top Management (May 2020) | 0.0% | 50.0% | 0.0% | 25.0% | 0.0% | 25.0% | 0.0% | 0.0% |
| Senior Management (June 2020) | 0.0% | 20.0% | 0.0% | 20.0% | 0.0% | 40.0% | 0.0% | 20.0% |
| Senior Management (May 2020) | 0.0% | 20.0% | 0.0% | 20.0% | 0.0% | 40.0% | 0.0% | 20.0% |
| Professionally qualified and experienced specialists and mid-management (June 2020) | 5.7% | 31.4% | 0.0% | 34.3% | 5.7% | 14.3% | 0.0% | 8.6% |
| Professionally qualified and experienced specialists and mid-management (May 2020) | 5.7% | 31.4% | 0.0% | 34.3% | 5.7% | 14.3% | 0.0% | 8.6% |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (June 2020) | 5.9% | 34.9% | 0.0% | 23.7% | 11.8% | 18.4% | 0.0% | 5.3% |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (May 2020) | 6.0% | 34.0% | 0.0% | 24.7% | 12.0% | 18.7% | 0.0% | 4.7% |
| Semi-skilled and discretionary decision making (June 2020) | 24.8% | 42.9% | 0.0% | 1.9% | 6.2% | 18.0% | 0.0% | 6.2% |
| Semi-skilled and discretionary decision making (May 2020) | 24.8% | 42.9% | 0.0% | 1.9% | 6.2% | 18.0% | 0.0% | 6.2% |
| Unskilled and defined decision making (June 2020) | 46.0% | 12.7% | 0.0% | 3.2% | 20.6% | 15.9% | 0.0% | 1.6% |
| Unskilled and defined decision making (May 2020) | 46.0% | 12.7% | 0.0% | 3.2% | 20.6% | 15.9% | 0.0% | 1.6% |
| TOTAL: DISABLED – JUNE 2020 | 0.0% | 0.0% | 0.0% | 0.72% | 0.24% | 0.24% | 0.0% | 0.72% |
| TOTAL: ALL EMPLOYEES – JUNE 2020 | 19.0% | 34.3% | 0.0% | 13.1% | 10.2% | 17.9% | 0.0% | 5.5% |
| TOTAL: ALL EMPLOYEES – MAY 2020 | 19.1% | 34.0% | 0.0% | 13.2% | 10.3% | 17.9% | 0.0% | 5.5% |

All employees, including employees with disabilities:

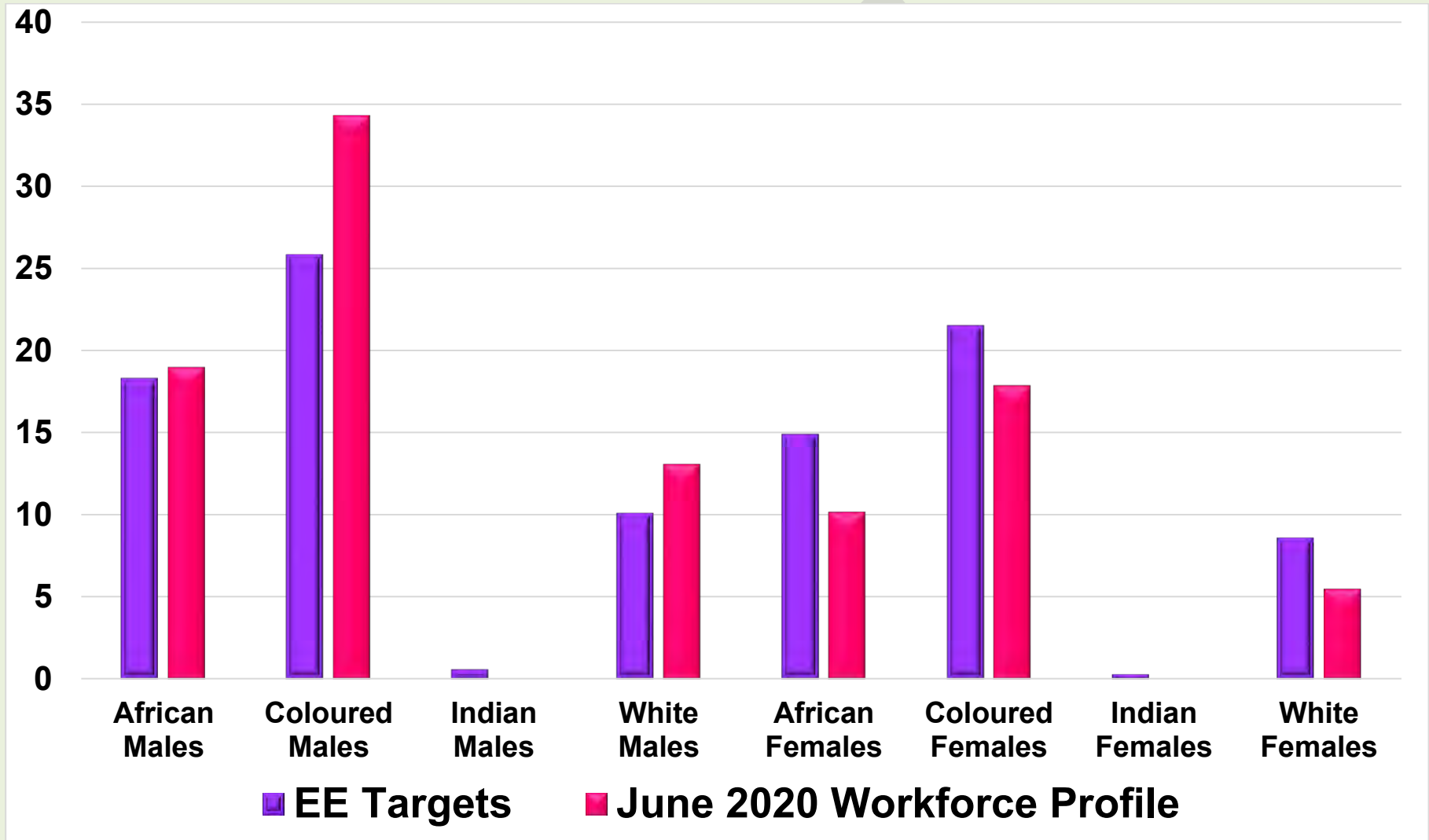
EMPLOYMENT EQUITY FIGURES 30 JUNE 2020

| Occupational Level | Male | | | | Female | | | | Foreign Nationals | | TOTAL |
|---|-----------|------------|----------|-----------|-----------|-----------|----------|-----------|-------------------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Male | Female | |
| Top Management | 0 | 2 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 4 |
| Senior Management | 0 | 1 | 0 | 1 | 0 | 2 | 0 | 1 | 0 | 0 | 5 |
| Professionally qualified and experienced specialists and mid-management | 2 | 11 | 0 | 12 | 2 | 5 | 0 | 3 | 0 | 0 | 35 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 9 | 53 | 0 | 36 | 18 | 28 | 0 | 8 | 0 | 0 | 152 |
| Semi-skilled and discretionary decision making | 40 | 69 | 0 | 3 | 10 | 29 | 0 | 10 | 0 | 0 | 161 |
| Unskilled and defined decision making | 29 | 8 | 0 | 2 | 13 | 10 | 0 | 1 | 0 | 0 | 63 |
| Total Permanent | 80 | 144 | 0 | 55 | 43 | 75 | 0 | 23 | 0 | 0 | 420 |
| Temporary Employees | 4 | 8 | 1 | 0 | 9 | 7 | 0 | 1 | 0 | 0 | 30 |
| Grand Total | 84 | 152 | 1 | 55 | 52 | 82 | 0 | 24 | 0 | 0 | 450 |

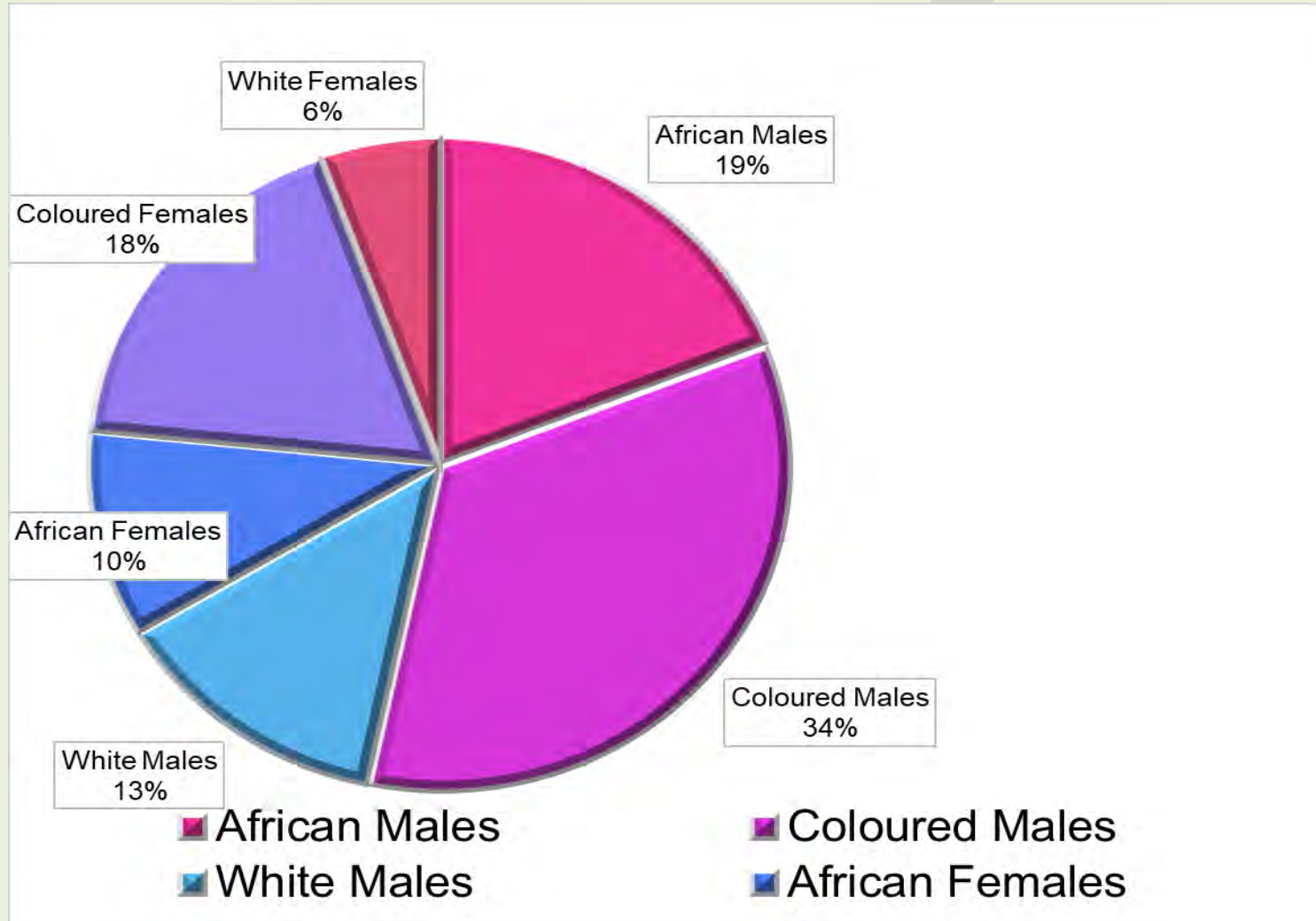
All employees with disabilities

| Occupational Levels | Male | | | | Female | | | | Foreign nationals | | Total |
|--|------|---|---|---|--------|---|---|---|-------------------|--------|-------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Semi-skilled and discretionary decision making | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 4 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 2 |
| TOTAL PERMANENT | 0 | 1 | 0 | 2 | 1 | 1 | 0 | 3 | 0 | 0 | 8 |
| TEMPORARY EMPLOYEES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GRAND TOTAL | 0 | 1 | 0 | 2 | 1 | 1 | 0 | 3 | 0 | 0 | 8 |

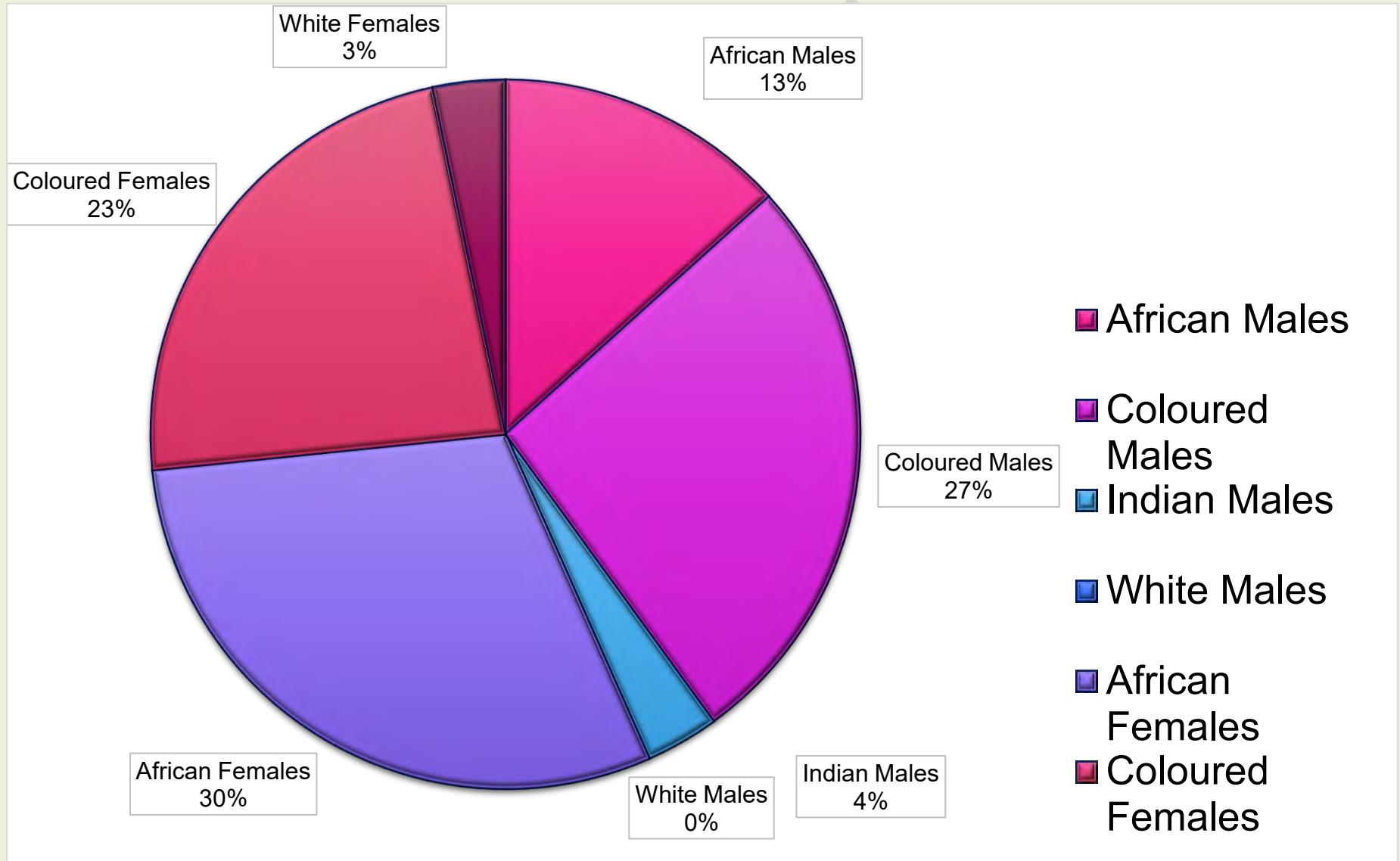
JUNE 2020 WORKFORCE PROFILE COMPARED TO EE TARGETS



JUNE 2020 GENDER WORKFORCE PROFILE



JUNE 2020 TEMPORARY EMPLOYEES



PROCESS PLAN: EMPLOYMENT EQUITY FORUM

- JUNE 2019** – **COMMUNICATION TO STAFF: COMPLETION OF – EEA1 FORM (DECLARATION BY EMPLOYEE)**
- JULY 2019** – **ESTABLISHMENT OF EE FORUM**
- AUGUST 2019** – **TRAINING OF EE FORUM**

4.2 POLICIES

| HR POLICIES AND PLANS | | | | |
|-----------------------|--|-------------|---|--|
| | Name of Policy | Completed % | Reviewed | Date adopted by Council or comment on failure to adopt |
| 1. | Anti-Corruption Policy | 100 | | 06 November 2008 |
| 2. | Acquisition and use of Cellular Telephones by Councillors | 100 | | 11 December 2002 |
| 3. | Appointment of Consultants Policy | 100 | 28 May 2020 | 28 May 2015 |
| 4. | Accounting Policy | 100 | | 23 May 2013 |
| 5. | Asset Management Policy | 100 | 22 May 2014 28 May 2015 25 May 2017 27 May 2019 28 May 2020 | 23 May 2013 |
| 6. | Baseline Installation Procedures for Operating Systems | 100 | | 25 July 2013 |
| 7. | Benevolent Fund Policy | 100 | 25 November 2010 | 27 August 2009 |
| 8. | Bereavement Policy | 100 | | 25 April 2019 |
| 9. | Budget Policy | 100 | 28 May 2020 | 14 April 2011 |
| 10. | Branding Policy | 100 | 28 May 2020 | 28 May 2015 |
| 11. | Cash Management Policy and Investment Policy | 100 | 28 May 2020 | 26 August 2010 |
| 12. | Change Management Process | 100 | | 24 April 2014 |
| 13. | Chronic Illness Policy | 100 | | 24 May 2005 |
| 14. | Code of Conduct for Employees | 100 | | LG: Systems Act |
| 15. | Combating Abuse of Supply Chain Management System Policy | 100 | 27 May 2019 | 28 May 2015 |
| 16. | Community Support Policy | 100 | 28 May 2015 27 May 2019 28 May 2020 | 29 September 2005 |
| 17. | Communication Policy and Strategy 2008-2011 | 100 | 20 August 2015 | 6 November 2008 |
| 18. | Contract Management Policy | 100 | | 28 May 2015 |
| 19. | Confidentiality Policy | 100 | | 24 May 2005 |
| 20. | Corporate Gifts Policy | 100 | 27 May 2019 28 May 2020 | 28 May 2015 |
| 21. | Corporate Identity and Branding Policy | 100 | | 28 May 2015 |
| 22. | Credit Control, Debt Collection and Indigent Policies | 100 | 28 May 2015 | 30 September 2009 |
| 23. | CWDM Sponsored Work Related Functions Policy | 100 | | 24 May 2005 |
| 24. | Delegations, Authorisation and Responsibility | 100 | Under review | 15 July 2011 |
| 25. | Determination of Policy for Internal Appeal Procedure in terms of Section 62 of Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) | 100 | | 24 March 2003 |
| 26. | Determination of Policy: Dress Code for Councillors | 100 | | 19 February 2004 |
| 27. | Emergency Nutrition Provision Policy | 100 | | 31 January 2013 |

| HR POLICIES AND PLANS | | | | |
|-----------------------|---|-------------|----------------------------|--|
| | Name of Policy | Completed % | Reviewed | Date adopted by Council or comment on failure to adopt |
| 28. | Employee Assistance Programme Policy | 100 | | 25 April 2012 |
| 29. | Employee Driving Licence Assistance Policy | 100 | 27 June 2014 | 17 February 2011 |
| 30. | Employee Study Aid and Leave Policy | 100 | 03 December 2013 | 24 May 2005 |
| 31. | Enterprise Risk Management Policy | 100 | 28 January 2014 | 27 March 2013 |
| 32. | Electrification of Rural Housing Policy, Consolidate with Water and Sanitation Policy | 100 | 25 February 2015 | 25 October 2012 |
| 33. | Expanded Public Works Policy | 100 | 27 May 2019 28 May 2020 | 31 January 2013 |
| 34. | Education, Training and Development Policy | 100 | 04 December 2014 | 24 May 2005 |
| 35. | Expenditure Management Policy | 100 | 27 May 2019 28 May 2020 | 28 May 2015 |
| 36. | Fire and Rescue Training Academy Policy | 100 | | 04 December 2014 |
| 37. | Financial Support for the Replacement and Construction of Fencing along the Provincial Roads Network in the jurisdiction area of CWDM | 100 | | 03 December 2013 |
| 38. | Funding and Reserves Policy | 100 | 27 May 2019 28 May 2020 | 14 April 2011 |
| 39. | GRAP Policy and Procedural Guide | 100 | | 31 January 2005 |
| 40. | Grievance Procedure | 100 | | SALGBC |
| 41. | HIV and AIDS Policy | 100 | 25 November 2010 | 24 May 2005 |
| 42. | ICT Data Backup and Retention Policy | 100 | | 29 June 2017 |
| 43. | ICT Service Level Agreement Management | 100 | | 29 June 2017 |
| 44. | Identifiable and Protective Clothing Policy: Disaster Management | 100 | | 24 October 2006 |
| 45. | Individual Performance Management Policy | 100 | 25 June 2020 | 28 June 2016 |
| 46. | Induction Policy | 100 | | 24 May 2005 |
| 47. | Information and Communication Backup Policy | 100 | 24 April 2014 | 25 April 2012 |
| 48. | Information Technology Security Policy | 100 | | 24 May 2005 |
| 49. | Internship Policy | 100 | 27 May 2019 28 May 2020 | 28 May 2015 |
| 50. | Internet and E-mail Usage Policy | 100 | | 24 May 2005 |
| 51. | International Relations Policy | 100 | | 27 August 2009 |
| 52. | Inventory and Stock Management Policy | 100 | 27 May 2019 28 May 2020 | 28 May 2015 |
| 53. | Legal Aid Policy for Councillors and Employees | 100 | | 24 May 2005 |
| 54. | Long-Term Financial Policy | 100 | 27 May 2019 28 May 2020 | 28 May 2015 |
| 55. | Maintenance Management Policy | 100 | 27 May 2019 28 May 2020 | 28 May 2015 |
| 56. | Mayoral Bursary Fund Policy (Rescinded) | 100 | Ceased to exist in 2018 | 25 October 2012 |

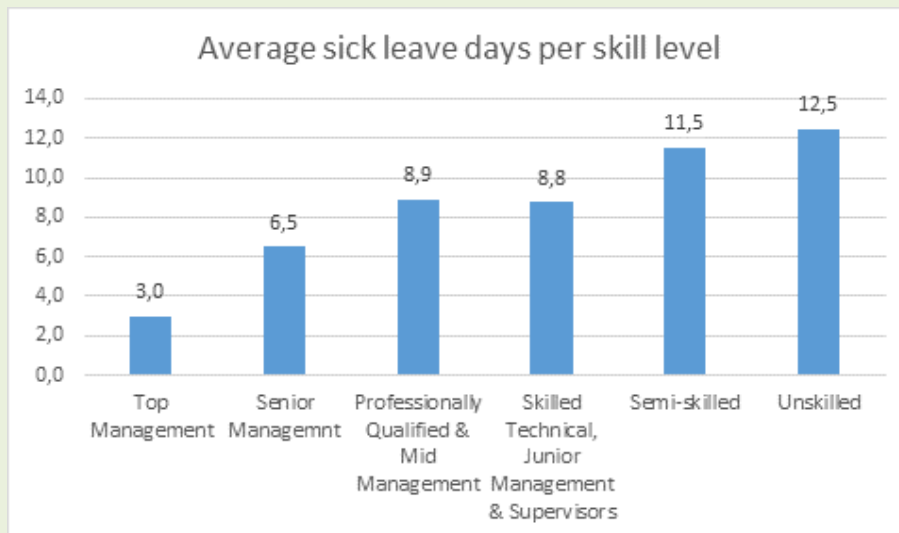
| HR POLICIES AND PLANS | | | | |
|-----------------------|--|-------------|---|--|
| Name of Policy | | Completed % | Reviewed | Date adopted by Council or comment on failure to adopt |
| 57. | Mobile Device Policy | 100 | 27 May 2019 28 May 2020 | 04 December 2014 |
| 58. | Municipal Corporate Governance of Information and Communication Technology (ICT) Policy | 100 | | 29 June 2017 |
| 59. | Nepotism Policy | 100 | | 24 May 2005 |
| 60. | Network Security Policy | 100 | 24 April 2014 25 July 2013 | 25 April 2017 |
| 61. | Occupational Health and Safety | 100 | | 24 May 2005 |
| 62. | Official Vehicles and Fleet Management Policy | 100 | 27 May 2019 28 May 2020 | 25 March 2004 |
| 63. | Performance Management System Policy and Framework Guide | 100 | | 20 August 2015 |
| 64. | Personal Protective Equipment Policy for the Roads Agency Function | 100 | | 26 March 2015 |
| 65. | Petty Cash Policy | 100 | 27 May 2019 28 May 2020 | 28 May 2015 |
| 66. | Physical Environmental Security Policy | 100 | | 25 July 2013 |
| 67. | Policy for the Investigation of Allegations of Contraventions of Code of Conduct for Councillors | 100 | | 25 March 2004 |
| 68. | Policy for the Provision of Basic Services to Rural Dwellings | 100 | 27 May 2019 28 May 2020 | 25 February 2016 |
| 69. | PPE Policy for Roads and Mechanical Workshop | 100 | | 26 March 2015 |
| 70. | Preferential Procurement Policy | 100 | 27 May 2019 28 May 2020 | 28 May 2015 |
| 71. | Private Work Policy | 100 | Under review 27 May 2019 28 May 2020 | 24 May 2005 |
| 72. | Property Rates Policy | 100 | | 23 May 2006 |
| 73. | Protective Clothing for Environmental Health Practitioners | 100 | | 25 July 2006 |
| 74. | Protective Clothing Policy for Personnel: Roads | 100 | | 25 July 2006 |
| 75. | Public Participation Policy | 100 | | 20 August 2015 |
| 76. | Recruitment and Selection Policy | 100 | 25 November 2010 | 24 May 2005 |
| 77. | Revenue Management Policy | 100 | | 20 May 2015 |
| 78. | Sexual Harassment Policy | 100 | | 24 May 2005 |
| 79. | Smoking Policy | 100 | 25 November 2010 | 24 May 2005 |
| 80. | Sponsorship Policy | 100 | | 28 May 2015 |
| 81. | Staff Statements to the Media Policy | 100 | | 24 May 2005 |
| 82. | Student Assistance Policy | 100 | 3 March 2008 | 24 May 2005 |
| 83. | Subsistence and Travel Policy | 100 | 25 November 2010 30 March 2012 25 July 2013 | 28 January 2010 |
| 84. | Substance Abuse Policy | 100 | | 24 May 2005 |

| HR POLICIES AND PLANS | | | | |
|-----------------------|---|-------------|---|--|
| | Name of Policy | Completed % | Reviewed | Date adopted by Council or comment on failure to adopt |
| 85. | Succession Planning and Career Pathing Policy | 100 | | 24 May 2005 |
| 86. | Supply Chain Management Policy | 100 | 31 July 2014 25 May 2017 | 27 March 2008 |
| 87. | Tariff Policy and Tariff By-Law | 100 | | 13 November 2003 |
| 88. | TASK Job Evaluation Policy | 100 | | 06 December 2018 |
| 89. | Telecommunications Policy | 100 | 04 December 2014 31 January 2019 | 24 May 2005 |
| 90. | Telephone Policy for Councillors | 100 | | 30 June 2006 |
| 91. | Time and Work Attendance Management Policy | 100 | | 27 October 2011 |
| 92. | Transport Allowance Scheme | 100 | 29 January 2015 | 26 April 2007 |
| 93. | Transport Allowance Scheme for Essential Users | 100 | | 22 June 2007 |
| 94. | Travel and Removal Expenses Policy | 100 | | 24 May 2005 |
| 95. | Uniforms and Protective Clothing: Support Personnel | 100 | | 24 May 2005 |
| 96. | Uniform Schedule for the Division: Fire Service | 100 | | 25 July 2006 |
| 97. | Unauthorised Fruitless and Wasteful Expenditure | 100 | | 28 May 2015 |
| 98. | Unforeseen and Unavoidable Expenditure Policy | 100 | | 28 May 2015 |
| 99. | Unpaid Leave Policy | 100 | 28 May 2020 | 24 May 2005 |
| 100. | User Account Management Procedures | 100 | | 24 April 2014 |
| 101. | User Security Policy | 100 | | 27 October 2011 |
| 102. | Whistleblowing Policy | 100 | | 24 May 2005 |
| 103. | Virement Policy | 100 | 25 May 2017 27 May 2019 28 May 2020 | 14 May 2010 |

4.3 INJURIES

| Number and cost of injuries on duty | | | | | |
|--|---------------------------|-------------------------------------|---|--|-----------------------------|
| Type of injury | Injury leave taken | Employees using injury leave | Proportion of employees using sick leave | Average injury leave per employee | Total estimated cost |
| | Days | No. | % | Days | R'000 |
| Required basic medical attention only | 65 | 13 | 88.33% | 5 | R56, 201.44 |
| Fatal | 0 | 0 | 0 | 0 | 0 |
| Total | 65 | 13 | 88.33% | 5 | R56, 201.44 |

| NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) | | | | | |
|--|-------------------------|---|-----------------------------------|---------------------------------|---|
| JOB LEVELS | Total sick leave | Proportion of sick leave without medical certification | Employees using sick leave | Total employees in post* | Average sick leave per employees |
| | Days | % | No. | No. | Days |
| Top Management (MM & Section 56) | 10 | 20% | 3 | 4 | 2.0 |
| Senior Management (T18 – T19) | 8 | 37.5% | 3 | 5 | 1.6 |
| Professionally qualified and experienced specialists and mid-management (T14 – T17) | 309 | 12% | 25 | 35 | 8.8 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13) | 987 | 22% | 123 | 154 | 6.4 |
| Semi-skilled and discretionary decision making (T4 – T8) | 1 282 | 31% | 150 | 161 | 7.9 |
| Unskilled and defined decision making (T1 – T3) | 383 | 37% | 46 | 61 | 6.2 |
| Total | 2 979 | 27.08% | 350 | 420 | 33.4 |



COMMENT ON INJURY AND SICK LEAVE

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

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

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

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

| NUMBER AND PERIOD OF SUSPENSIONS | | | | |
|---|-------------------------------------|---------------------------|--|-----------------------|
| Position | Nature of alleged misconduct | Date of suspension | Details of disciplinary action taken or status of case and reasons why not finalised | Date finalised |
| Executive Director: Community Development & Planning Services | Alleged misconduct | 11 April 2019 | Disciplinary hearing was stayed due to the fact that the employee resigned on 31 August 2019 | 31 August 2019 |

| 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 |
| Transport Planner | Although irregular expenditure was incurred, there was no need for the recovery of expenditure since services were rendered satisfactorily. However, the Supply Chain Management processes followed were incorrect. | Counselling | 11 September 2019 |
| Deputy Director: Public Transport | Fruitless and wasteful expenditure | Informal disciplinary hearing | 27 September 2019 |
| Local Economic Development Officer | Although <u>irregular expenditure</u> was incurred, there was no need for the recovery of the expenditure since the services were rendered satisfactorily. | Counselling | 24 October 2019 |

4.4 PERFORMANCE REWARDS

| PERFORMANCE REWARDS BY GENDER | | | | | |
|---|----------------------------|---|--------------------------------|---|---|
| Designations | Beneficiary profile | | | | |
| | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards 2018/2019 | Proportion of beneficiaries within group |
| | | | | R'000 | % |
| Top Management (MM & Section 56) | Female | 1 | 1 | R123 583.89 | 100% |
| | Male | 3 | 2 | R207 146.90 | 75% |
| 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 | 0 |
| Has the statutory municipal calculator been used as part of the evaluation process? | | | | | Not applicable |

COMMENT ON PERFORMANCE REWARDS

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

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

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

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

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

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

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

However, note should be taken that the Council of the CWDM resolved at Item C.14.1 of its meeting held on 25 April 2012 that future performance bonuses of the Municipal Manager and Section 56 employees shall be capped to a maximum of 7% (seven per cent) in terms of Regulation 32(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

In view of the aforementioned Council resolution, the Municipal Manager as well as the managers directly accountable to the Municipal Manager accordingly agreed that the future performance bonuses of their all-inclusive annual remuneration packages be capped to a maximum of 7% (seven percent).

The Municipal Manager and Managers directly accountable to the Municipal Manager entered into performance agreements for the period from 01 July 2013 until 30 June 2014, which agreements, inter alia, govern the performance objectives and targets that must be met by the Municipal Manager and managers directly accountable to the Municipal Manager, the timeframes within which those performance objectives and targets must be met as well as the reward paid to the employee by the employer as recognition of outstanding performance.

However, on 19 December 2013, the Executive Mayor in consultation with the Deputy Executive Mayor in terms of delegated powers resolved that no performance bonuses be paid to the Municipal Manager and managers directly accountable to the Municipal Manager with effect from 01 February 2014, which

was subsequently accepted by these category of employees by way of signing addendums to the principal performance agreements to effect this change.

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

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

COUNCIL MEETING: 28 JUNE 2018: ITEM C.15.2

RESOLVED: (Unanimously, 31 Councillors) That –

- (a) The reinstatement of performance bonuses in respect of the Municipal Manager and Managers directly accountable to the Municipal Manager ranging from 5% to 9% based on a score of 130% to 149% and a maximum of 10% based on a score of 150% and above, be approved;
- (b) Performance bonuses be considered annually based on financial affordability;
- (c) Cognisance be taken of the draft 2018/2019 performance agreements of the Municipal Manager and Managers directly accountable to the Municipal Manager, attached as Annexures “A” to “D” to the agenda item.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

| SKILLS MATRIX | | | | | | | | | | | | | | |
|---|--------|---|--|-----------------------|----------|---|-----------------------|-----------|-------------------------|-----------------------|----------|-----------------------|-----------------------|-----------|
| Management Level | Gender | Employees in post as at 30 June 2019 No. | Number Of Skilled Employees Required And Actual as at 30 June 2020 | | | | | | | | | | | |
| | | | Learnerships | | | Skills Programmes and other Short Courses | | | Other Forms of Training | | | Total | | |
| | | | Actual: End of Year 0 | Actual: End of Year 1 | Target | Actual: End of Year 0 | Actual: End of Year 1 | Target | Actual: End of Year 0 | Actual: End of Year 1 | Target | Actual: End Of Year 0 | Actual: End of Year 1 | Target |
| MM and S56 | Female | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| | Male | 3 | 0 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 0 | 3 | 1 | 0 |
| Councillors, senior officials and managers | Female | 12 | 0 | 0 | 0 | 4 | 12 | 7 | 0 | 0 | 0 | 4 | 12 | 7 |
| | Male | 34 | 0 | 0 | 0 | 17 | 34 | 14 | 0 | 0 | 0 | 17 | 34 | 14 |
| Technicians and associate professionals | Female | 2 | 0 | 0 | 0 | 1 | 2 | 2 | 0 | 0 | 0 | 1 | 2 | 2 |
| | Male | 4 | 0 | 0 | 0 | 4 | 2 | 4 | 0 | 0 | 0 | 4 | 2 | 4 |
| Professionals | Female | 31 | 0 | 0 | 0 | 18 | 22 | 25 | 0 | 0 | 0 | 18 | 22 | 25 |
| | Male | 37 | 0 | 0 | 0 | 41 | 37 | 35 | 0 | 0 | 0 | 41 | 37 | 35 |
| Sub-total | Female | 46 | 0 | 0 | 0 | 24 | 36 | 34 | 0 | 0 | 0 | 24 | 36 | 34 |
| | Male | 78 | 0 | 0 | 0 | 65 | 74 | 53 | 0 | 0 | 0 | 65 | 74 | 53 |
| Total | | 124 | 0 | 0 | 0 | 89 | 110 | 87 | 0 | 0 | 0 | 89 | 110 | 87 |
| *Registered with professional associate body e.g. CA (SA) - 55* | | | | | | | | | | | | | | 0 |

| 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 | 31 | 0 | 31 | 0 | 0 | 23 |
| Heads Of Supply Chain Management Units | 1 | 0 | 1 | 0 | 0 | 1 |
| Supply Chain Management Senior Managers | 1 | 0 | 1 | 0 | 0 | 1 |
| TOTAL | 37 | 0 | 37 | 0 | 4 | 29 |
| SKILLS DEVELOPMENT EXPENDITURE | | | | | | |
| R1 435 541,00 | | | | | | |

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

The capacitation of municipal officials in the CWDM are thoroughly defined in terms of the adopted Education, Training and Development Policy. The implementation of training interventions is informed by the approved annual Workplace Skills Plan and Training Implementation Plan. Both plans are comprehensively consulted with all the relevant stakeholders, inclusive of employees, labour and management of the CWDM. The main purpose of organisational capacitation is to ensure that all objectives as listed within our IDP are realised.

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

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

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

- a. Mentoring and Coaching;
- b. Succession Planning and;
- c. Talent Management (amongst others).

In the 2012/2013 financial year, the CWDM embarked on a new vision for training and development within a broader human resource development scope. The latter focused on a programme approach rather than a project approach.

Phase 1 (2013-2018) of this new vision focused on operational training – to ensure that CWDM employees are competent in executing the operational and compliance functions (as per job description and legislation). Training programmes on minimum competency levels and machinery regulations were embarked on. Phase 1 concluded in the 2018/2019 financial year.

Phase 2 (2019-2023) is a two-pronged approach and will ensure that Phase 1 is maintained. However, the focus will shift to more strategic interventions, laying the foundations of our vision of excellence for sustainable development. Thus, training focus areas will include change management programmes (thinking out-of-the-box) to ensure the relevance of the municipality, specifically with the onset and implications of the Fourth Industrial Revolution. Training programmes will also focus on softer skills like transformation management, emotional intelligence, relationship management and effective communication through the creation of positive organisational cultures. The latter can only be achieved through investing in our human resources (a people approach), but within the very challenging and ever-constraining financial and legislative framework. Thus, the focus on the shift in mindset of phase 2 will be the municipality's biggest challenge and can only be achieved through political and administrative ownership (buy-in).

Phase 3 (2024-2029) will be a combination of phases 1 and 2, with the municipality reaching the first phase of organisational excellence maturity. Effective performance management and efficiency monitoring systems will ensure efficient monitoring and constant evaluation of organisational culture, systems, strategies and policies to ensure sustainable development within a culture of excellence. The effective determination of the return on investment will inform the further development and improvement of systems, processes and cultures.

Notwithstanding the ever-increasing operational, financial and regulatory challenges facing officials within the municipality, training and development have proved the following positives:

- a. A competent workforce – to ensure the realisation of the IDP and ensure effective service delivery to the Cape Winelands community. Competence also brings forth self-confidence/awareness, thus enabling officials to effectively address challenges.
- b. A motivated workforce – investing in the development of CWDM employees ensures higher self-motivation levels of personnel. Officials are more hopeful and optimistic, despite facing obstacles and challenges as indicated above.
- c. Improved social skills – ensuring that all training interventions are underlined with the relevant soft skills (the latter is a standing operating procedure for all training programmes), officials on all levels are constantly improving their abilities to connect with and respond to others within a team and between departments, thus building positive relationships and ensuring integration of ideas and processes.
- d. Improved performance – the overall feedback received from line managers strongly indicate an improved performance of employees after training interventions.
- e. Improvement of values and ethics – the integration of organisational values and ethical behaviour into daily operations.

The aforementioned impacts resulted from the identified training interventions in respect of previous years. The Division: Human Resources will further highlight areas for improvement through various impact surveys throughout phase 2 and phase 3, thus ensuring the sustainable development of the organisation in achieving excellence.

Training and Development 2019/2020

1) Financial and Strategic Services Directorate (FSS)

All training initiatives implemented within the CWDM are directly linked via the SDBIP to the CWDM IDP. For the 2019/2020 financial year, the CWDM continued to comply with the municipal regulations with regard to the implementation of the minimum competency levels in terms of the attainment of the professional competencies. Therefore, all affected officials as well as new appointees appointed after 1 January 2019 currently comply in terms of the MFMA Exemption Notice 40593. Statements of results are administered by the LGSETA and the latter is currently experiencing backlogs in terms of providing municipalities with these results. Affected CWDM officials have completed all relevant unit standards and are currently awaiting their LGSETA statements of results.

To ensure continuous compliance with the MMCL regulations, the CWDM has appointed Stellenbosch University's School of Public Leadership in terms of their Municipal Financial Management Programme (MFMP) for a 12-month period. Currently, the MFMP is conducted via

an online learning platform that provides officials with more flexibility to remain innovative and productive in their working environment, and it is cost effective for the organisation.

To give effect to the qualifications aspect of the abovementioned regulations, the CWDM focused on ensuring that affected officials comply with the required professional competencies. Furthermore, it has also become imperative to ensure that officials attain the relevant academic qualifications, not only to align with their job requirements but also to ensure career pathing within the organisation. Supply Chain Management staff successfully completed the Occupational Certificate: Supply Chain Practitioner (NQF 5) qualification with a 100% pass rate via the Cape Peninsula University of Technology. They are now pursuing their National Certificate: Supply Chain Management via the TETA examination scheduled for November 2020. The attainment of this qualification will ensure advancement to higher academic qualifications.



Back: Cllr Kobus du Plessis, Prof Stephen Hosking, Elmien Niemand, Colette Springveldt, Wayne Dreyer, Devin Ellis, Clayton Luiters, Dirk Theron, Traci-Lee Titus, Dr Michael Twum-Darko, Cllr Palesa Ramokhabi

Front: Nokanyiso Ngcama, Ronel Leo, Franklin Davidse

The Occupational Certificate: Office Administration (NQF 5) qualification aims to achieve similar outcomes as mentioned above. Office administrators within the FSS as well as those office administrators within the Technical Services Directorate (Depot Clerks) studied for this qualification. The purpose of the qualification was to equip administrators, clerks and/or assistants with the necessary office management skills, knowledge and capabilities to perform their tasks/duties more effectively and productively within the municipal environment. The qualification also covered the behavioural skills focusing on communication, polished appearances and good interpersonal skills. In addition, upon successful completion officials will have obtained an NQF 5 Certificate, which enables them to further their professional careers via advancement to a diploma on an NQF 6. The external PSETA examination (in November 2020) will ensure a national qualification.



Back: Cllr Kobus Du Plessis, Prof Stephen Hosking, Elna Kruger, Janine Fuchs, Charmaine Potgieter, Harriet Siljeur, Nombulelo Mtwayi, Cathy Swarts, Roxanne Robinson, Lorna Van Niekerk, Lannice Arendse, Nyaniso Nxam, Katrina Eland, Grecian Vos, Dr Michael Twum – Darko, Cllr Palesa Ramokhabi, Elestene Scheffers.

Front: Thandiswa Mbobo, Bukelwa Mtangayi, Sally Ann Van Rooi, Charmein Flandorp, Ferencia September, Adelaide Issel, Myrtle Ruiters,

1) Community Development and Planning Services Directorate

In order to ensure compliance with the Health Professions Council of South Africa (HPCSA) regarding the required registration and continuous capacitation of our Environmental Health Practitioners (EHPs), the CWDM embarked on accredited online courses to ensure full compliance with the HPCSA regulations and guidelines. This online programme is imperative in enabling EHPs to stay informed in terms of new legislation and the latest innovations, and to be competitive and maintain high-quality, continuous service delivery in the environmental health field.

In addition to the above, the successful CWDM Environmental Health Practitioner Intern Programme produces highly professional, qualified and suitably experienced EHP Interns as new work entrants into the South African workforce. Apart from gaining valuable workplace experience, the CWDM ensures the workplace readiness of these interns by training them in law enforcement. The latter course was scheduled for the final quarter of the 2019/2020 year, but due to the COVID-19 lockdown it will now be implemented in the 2020/2021 year. The course equips interns as law enforcement officers, responsible for the daily enforcement of environmental health transgressions as well as equipping them with the necessary criminal procedural skills in order to ensure enforcement.

2) Technical Services Directorate

The CWDM continues with the focus on training programmes to ensure compliance with the Driven Machinery Regulations 18(1) and the National Code of Practice and Safety pertaining to machine operators and small plant operators. Operator licences have a limited validity period and must be

renewed accordingly. In the 2019/2020 year, the CWDM rolled out various refresher courses for earthmoving machinery operators as well as for lifting equipment operators. This included the training of new appointees (Roads Department officials appointed in November 2019). Training in this regard will continue for the future to ensure compliance with the said legislative requirements as well as the associated OHS legislative requirements.

Truck Mounted Crane Training



The Diesel Mechanic Artisan Programme ensures that mechanical assistants obtain their formal artisan qualification (Diesel Mechanic) at NQF 5 level. From 2014 to date, three mechanical assistants successfully qualified as diesel mechanics, thus not only assuring themselves of further career opportunities but more importantly, addressing the qualified mechanical shortfall in our mechanical workshops. The Diesel Mechanic Artisan Programme was postponed until August 2020 due to the COVID-19 lockdown.

The CWDM Driver's Licence Programme is three-layered and aims to assist employees with obtaining their learner's and driver's licences to ensure:

- a. operational effectiveness;
- b. multi-skilling of officials; and
- c. succession planning.



2) 2019/2020 training programmes postponed due to COVID-19 lockdown

The following training initiatives were postponed to the 2020/2021 financial year:

- a) **Occupational Health and Safety:** The purpose of the OHS Representative training is to enable municipal officials to identify, evaluate and record safety, health and environmental hazards in their designated work areas and to evaluate the risks attached to operational tasks and processes, as required within the OHS Act. The latter course is a standing item in our training implementation plan as the qualification is only valid for a two-year period, to be renewed on refresher courses as regulated by the Occupational Health and Safety Act.
- b) The CWDM has appointed an experienced, qualified and accredited service provider, Global Business Solutions, for the facilitation and delivering of the Employment Equity (EE) Training Programme. The purpose of the programme is to give effect to the provisions of the Employment Equity Act to ensure employment equity compliance and transformation at the CWDM. In addition to training, the programme will amplify the CWDM's efforts in EE to provide the required resources, expertise and training services to support the following stages of the programme:
 - i. Capacitation of the Employment Equity Committee and stakeholders.
 - ii. Training employment equity plans and processes are aligned to legal and best practice requirements.
 - iii. Equip and guide municipal officials with the knowledge (what, how and why) about employment equity and related content.
 - iv. Equip officials with the resources and tools to manage employment equity risks and improve transformational outcomes.
 - v. Equip officials with the perspective of latest/relevant case law, best practices and legislation.
- c) **Frontline Supervisor Training:** To enhance the technical training programmes, the CWDM embarked on ensuring that various soft skills programmes support officials to maximise learning and the effective implementation skills learnt. Thus, line managers in the technical departments were scheduled to undergo online learning in mentoring and coaching, with some to progress to facilitators, assessors and moderators. Frontline supervisor training is scheduled to form the basis of these soft interventions and will be rolled out in the 2020/2021 year. The latter training programmes were specifically identified to ensure the transfer of technical skills and departmental readiness for the implementation of technical learnerships,

as experienced and qualified technicians and engineers within the CWDM is nearing retirement age. The rollout of these technical qualifications will be finalised in 2020/2021 with the implementation of the National Certificate: Roads Construction Supervisor (NQF 4) and the National Diploma: Construction and Engineering (NQF 5), with the latter aiming to address the current shortfall at construction technician level.

- d) Leadership Development Training and Mentorship Programme – This programme aims to support all line managers (middle, senior and top management) by providing them with various soft skills to address current managerial challenges and by equipping them to meet future challenges in attaining the CWDM vision of excellence. This programme follows a multipronged approach including training, education and development initiatives, supported by a strong mentoring and intensive coaching aspect. Coupled with the above, frontline supervisor training will be a multiyear programme and not all elements will necessarily be credit-bearing courses, but high-impact courses. The Leadership Development Training and Mentoring Programme will strongly be underlined and monitored by the efficiency tool of the Individual Performance Management Programme.

In conclusion, this multi-phased approach to training implementation within the CWDM is slowly coming into its own. As CWDM line managers are starting to take ownership of this medium-term programme approach, positive results are being achieved. However, with the 'new normal' as a consequence of COVID-19, the biggest organisational challenge for the CWDM is how to marry the above approach with the 'new normal' as to yield positive results in achieving our organisational targets and vision. The 'new normal' is already a blessing in disguise as it forces CWDM employees to acknowledge and accept organisational change as a constant and positive and not as the normally perceived negative.

| NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED DURING THE 2019/2020 FINANCIAL YEAR | | |
|--|---------------|--------------|
| Beneficiaries | Gender | Total |
| Top Management (MM & Section 56) | Female | 0 |
| | Male | 0 |
| Senior Management (T18 – T19) | Female | 0 |
| | Male | 0 |
| Professionally qualified and experienced specialists and mid-management (T14 – T17) | Female | 0 |
| | Male | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13) | Female | 0 |
| | Male | 0 |
| Semi-skilled and discretionary decision making (T4 – T8) | Female | 0 |
| | Male | 0 |
| Unskilled and defined decision making (T1 – T3) | Female | 0 |
| | Male | 0 |
| Total | | 0 |

| EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION | | | | |
|--|----------------------------|-----------------------------|---|--|
| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
| Public Relations Officer | 1 | T9 | Remuneration levels of individual employees in terms of different TASK salary scales and notches. | <p>Clause 11 of the TASK Job Evaluation Process Plan stipulates that:</p> <p><i>Employees will be placed on the salary notch for the applicable TASK grade that is the closest higher salary notch to their existing salary notch.</i></p> <p><i>Employees whose existing basic salary is higher than the maximum of the applicable TASK grade will retain their existing basic salary scale on a personal-to-incumbent basis.</i></p> |
| Senior Accountant: Expenditure | 1 | T12 | | |
| Credit Controller | 1 | T9 | | |
| Principal Clerk: Expenditure | 3 | T7 | | |
| Administrator: Payroll | 1 | T10 | | |
| Principal Clerk: Payroll | 1 | T7 | | |
| Senior Buyer | 1 | T12 | | |
| Senior Supply Chain Management Officer | 1 | T10 | | |
| Procurement Clerk | 1 | T5 | | |
| Chief Clerk: Supplier/Database Administration | 1 | T8 | | |
| Senior Clerk: Assets/Expenditure | 1 | T6 | | |
| Administrative Secretary: Councillor Support | 1 | T8 | | |
| Human Resource Administration Officer | 1 | T10 | | |
| Training & Performance Management Officer | 1 | T10 | | |
| Chief: Committees & Administrative Support | 1 | T12 | | |
| Committee Officer | 1 | T10 | | |
| Chief Clerk: Records | 1 | T8 | | |
| Principal Clerk: Records | 1 | T7 | | |
| Clerk: Records | 1 | T5 | | |

| EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION | | | | |
|--|----------------------------|-----------------------------|---|--|
| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
| Receptionist / Switchboard Operator | 2 | T6 | Remuneration levels of individual employees in terms of different TASK salary scales and notches. | <p>Clause 11 of the TASK Job Evaluation Process Plan stipulates that:</p> <p><i>Employees will be placed on the salary notch for the applicable TASK grade that is the closest higher salary notch to their existing salary notch.</i></p> <p><i>Employees whose existing basic salary is higher than the maximum of the applicable TASK grade will retain their existing basic salary scale on a personal-to-incumbent basis.</i></p> |
| Driver Messenger | 2 | T4 | | |
| General Assistant: Logistical Support | 3 | T3 | | |
| Youth Development Officer | 1 | T10 | | |
| Executive Secretary | 2 | T8 | | |
| Senior Tourism Officer | 1 | T11 | | |
| Tourism Officer | 1 | T10 | | |
| LED Project Assistant | 1 | T6 | | |
| Community Development Officer | 2 | T11 | | |
| Senior Fire Fighter | 1 | T10 | | |
| Disaster Management Officer: Preparedness | 1 | T11 | | |
| Administrator: Housing | 1 | T10 | | |
| Principal Clerk: Help Desk (ICT) | 1 | T7 | | |
| Administrator: Working for Water | 1 | T8 | | |
| Cleaner: Administration Support (Working for Water) | 1 | T2 | | |
| Administrator: IMMS Office | 1 | T10 | | |
| Senior Clerk: IMMS | 1 | T6 | | |
| Senior General Worker: Roads | 5 | T4 | | |
| Assistant Superintendent: Roads | 3 | T10 | | |
| General Worker: Roads | 1 | T3 | | |

| EMPLOYEES APPOINTED TO POSTS NOT APPROVED | | | | |
|--|--------------|----------------------------|-------------------------|---|
| Department | Level | Date of appointment | Number appointed | Reason for appointment when no established post exists |
| NONE | | | | |

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

T4.6.2: All filled posts on the approved staff establishment of the CWDM have been evaluated in terms of the TASK Job Evaluation System.

T4.6.3: The CWDM did not make any appointments to posts that do not exist on the staff establishment in the 2019/2020 financial year.

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CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Cash Flow Management and Investments

Component D: Other Financial Matters

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COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 INTRODUCTION TO FINANCIAL STATEMENTS

The CWDM maintained a sound financial position during the 2019/2020 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 | 2018/2019 | 2019/2020 | | 2019/2020 Variance | | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustment Budget |
| Financial Performance | | | | | | |
| Property Rates | - | | | | | |
| Service Charges | 136 065 | 200 000 | 200 000 | 111 143 | 44% | 44% |
| Investment Revenue | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | 1% | 2% |
| Transfers recognised - operational | 231 988 667 | 241 135 000 | 244 903 703 | 239 156 653 | 1% | 2% |
| Other own revenue | 112 190 219 | 143 470 045 | 127 628 733 | 108 013 935 | 25% | 15% |
| Total Revenue (excluding capital transfers and contributions) | 398 608 615 | 440 805 045 | 429 232 436 | 402 687 636 | 9% | 6% |
| Employee costs | 179 039 248 | 225 734 535 | 226 630 160 | 203 282 247 | 10% | 10% |
| Remuneration of Councillors | 12 171 102 | 13 267 830 | 13 322 726 | 12 610 029 | 5% | 5% |
| Depreciation and asset impairment | 10 146 142 | 10 005 693 | 11 976 532 | 8 508 351 | 15% | 29% |
| Other expenditure | 144 014 393 | 194 777 002 | 169 183 933 | 131 381 437 | 33% | 22% |
| Total Expenditure | 345 370 885 | 443 785 060 | 421 113 351 | 355 782 064 | 20% | 16% |
| Surplus/(Deficit) | 53 237 730 | (2 980 015) | 8 119 085 | 46 905 572 | 1674% | -478% |
| Transfers recognised - capital | - | 6 427 500 | - | - | | |
| (Loss)/Gain on disposal of assets and liabilities | 881 488 | 20 000 | 835 919 | 581 218 | -2806% | 30% |
| Less Inventories losses/write-downs | 43 355 | - | 35 500 | 35 439 | 0% | 0% |
| Surplus/(Deficit) after capital transfers and contributions | 52 312 887 | 3 427 485 | 7 247 666 | 46 288 915 | -1251% | -539% |
| Share of surplus/(deficit) of associate | 0 | | | | | |
| Surplus/(Deficit) for the year | 52 312 887 | 3 427 485 | 7 247 666 | 46 288 915 | -1251% | -539% |

5.2 GRANTS

| CONDITIONAL GRANTS: EXCLUDING MIG | | | | | |
|---|------------------|-------------------|------------------|------------|-------------------|
| R'000 | | | | | |
| Details | Budget | Adjustment Budget | Actual | % Variance | |
| | | | | Budget | Adjustment Budget |
| EPWP incentive | 1 581 000 | 1 581 000 | 1 581 000 | 0 | 0 |
| Local Government Financial Management Grant | 1 000 000 | 1 000 000 | 1 000 000 | 0 | 0 |
| Western Cape Financial Management Support Grant | 280 000 | 280 000 | 280 000 | 0 | 0 |
| Integrated Transport Plan | 900 000 | 1 687 703 | 812 452 | 10 | 52 |
| Rural Roads Asset Management System | 2 849 000 | 2 849 000 | 0 | 100 | 100 |
| Community Development Workers | 0 | 148 000 | 45 113 | 100 | 100 |
| Western Cape Financial Capacity Building Grant | 380 000 | 380 000 | 0 | 100 | 100 |
| Municipal Service Delivery & Capacity Building | 0 | 400 000 | 400 000 | 0 | 0 |
| Local Government Internship Grant | 0 | 232 000 | 72 000 | 0 | 69 |
| Safety Plan Implementation - WOSA | 1 100 000 | 2 100 000 | 1 770 849 | -61 | 16 |
| Local Government Support Grant | 0 | 100 000 | 100 000 | 0 | 0 |
| Municipal Disaster Relief Grant | 0 | 119 000 | 119 000 | 0 | 0 |
| Fire Services Capacity Building Grant | 1 046 000 | 1 046 000 | 0 | 100 | 100 |
| Total | 9 136 000 | 11 922 703 | 6 180 413 | 32 | 48 |
| | | | | | TL |

5.2 ASSET MANAGEMENT

5.3 INTRODUCTION TO ASSET MANAGEMENT

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

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

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS

Liquidity Ratio (Norm 1 to 1.5)

2018/2019 - 18.5:1
2019/2020 - 21.15:1

Applying the ratio of current assets over current liabilities, the actual ratio equates 21.15 (2018: 15.77) with a minimum acceptable norm at 1. This means that the current assets of the municipality are more than the current liabilities. The 2019 current ratio of 21.15 increased with 2.65 from the previous year. The municipality is in a very good position to meet its financial obligations on a timely basis.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**5.5 CAPITAL EXPENDITURE**

| CAPITAL EXPENDITURE 2019/2020 | | | | | |
|--------------------------------|-------------------|-------------------|------------------|------------|-------------------|
| R'000 | | | | | |
| Division | Budget | Adjustment Budget | Actual | % Variance | |
| | | | | Budget | Adjustment Budget |
| Admin Support Services | 569 500 | 278 379 | 278 369 | 51 | 0 |
| Communication / Telephone | 12 000 | 7 592 | 3 289 | 73 | 57 |
| Property Management | 480 900 | 240 350 | 183 620 | 62 | 24 |
| Transport Pool | 810 000 | 0 | 0 | 100 | 0 |
| Management: Financial Services | 28 300 | 72 950 | 44 849 | -58 | 39 |
| Performance Management | 20 000 | 16 049 | 10 101 | 49 | 37 |
| Public Relations | 240 000 | 5 720 | 5 720 | 98 | 0 |
| Disaster Management | 3 539 700 | 221 432 | 143 567 | 96 | 35 |
| Fire Services | 12 104 500 | 7 194 464 | 6 090 143 | 50 | 15 |
| Municipal Health Services | 253 395 | 180 479 | 108 865 | 57 | 40 |
| Building: Maintenance | 8 761 000 | 344 101 | 213 653 | 98 | 38 |
| Information Technology | 10 449 400 | 2 191 569 | 372 357 | 96 | 83 |
| Roads | 5 381 500 | 195 743 | 136 237 | 97 | 30 |
| Total | 42 650 195 | 10 948 828 | 7 590 770 | 82 | 31 |
| | | | | | TL |

5.6 REVENUE COLLECTION BY SOURCE

| Revenue Collection Performance by Source | | | | | | |
|--|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| R' 000 | | | | | | |
| Details | 2018/2019 | 2019/2020 | | | 2019/2020 Variance | |
| | Actual | Original Budget (OB) | Adjustment Budget | Actual | Original Budget | Adjustments Budget |
| Property Rates | - | - | - | - | - | - |
| Property Rates - penalties and collection charges | - | - | - | - | - | - |
| Service charges - electricity revenue | - | - | - | - | - | - |
| Service charges - water revenue | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - |
| Service charges - refuse revenue | - | - | - | - | - | - |
| Service charges - other | 136 065 | 200 000 | 200 000 | 111 143 | 44% | 44% |
| Rental of facilities and equipment | 248 345 | 131 000 | 240 000 | 229 975 | -76% | 4% |
| Interest earned - external investments | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | 1% | 2% |
| Interest earned - outstanding debtors | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - |
| Fines | 0 | 0 | 0 | 0 | - | - |
| Licences and permits | - | 250 000 | 0 | 0 | - | - |
| Agency services | 108 552 545 | 128 201 955 | 125 524 743 | 106 276 009 | 17% | 15% |
| Transfers recognised - operational | 231 988 667 | 241 135 000 | 244 903 703 | 239 156 653 | 1% | 2% |
| Other income | 3 389 329 | 14 887 090 | 1 863 990 | 1 507 951 | 90% | 19% |
| Total Revenue | 398 608 615 | 440 805 045 | 429 232 436 | 402 687 636 | 9% | 6% |
| (excluding capital transfers and contributions) | | | | | | |

TK.2

5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS

| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2019/2020 | |
|--|---|
| Asset 1 | |
| Name | Major 4*4 Fire fighting vehicle (insurance claim) |
| Description | Fire Fighting Vehicle |
| Asset type | Vehicle Fire Engin - VEHFE |
| Key staff involved | |
| Staff responsibilities | |
| Asset value | 3 581 085 |
| Capital implications | |
| Future purpose of asset | Will be used during fire fighting incidents |
| Describe key issues | |
| Policies in place to manage asset | Asset Management Policy |
| Asset 2 | |
| Name | Light 4*4 Fire Fighting Vehicle (Replacement) |
| Description | Fire Fighting Vehicle |
| Asset type | Vehicle Fire Engin - VEHFE |
| Key staff involved | |
| Staff responsibilities | |
| Asset value | 1 072 360 |
| Capital implications | |
| Future purpose of asset | Will be used during fire fighting incidents |
| Describe key issues | |
| Policies in place to manage asset | Asset Management Policy |
| Asset 3 | |
| Name | Light 4 * 4 Fire Fighting vehicle (CL28012) |
| Description | Fire Fighting Vehicle |
| Asset type | Vehicle Fire Engin - VEHFE |
| Key staff involved | |
| Staff responsibilities | |
| Asset value | 770 546 |
| Capital implications | |
| Future purpose of asset | Will be used during fire fighting incidents |
| Describe key issues | |
| Policies in place to manage asset | Asset Management Policy |
| T5.3.2 | |

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**5.8 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS**

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

DRAFT

5.9 CASH FLOW

| CASH FLOW OUTCOMES | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| R'000 | | | | |
| Description | 2018/2019 | 2019/2020 | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Sale of goods and services | 111 197 027 | 149 428 545 | 141 670 788 | 106 624 146 |
| Grants | 231 988 667 | 241 015 000 | 246 633 142 | 239 156 653 |
| Government – Capital | - | - | 0 | - |
| Interest | 53 964 794 | 56 000 000 | 56 500 000 | 58 957 387 |
| Dividends | - | - | - | - |
| Payments | | | | |
| Employee cost | -182 881 014 | -211 162 258 | -207 090 789 | -197 879 243 |
| Suppliers | -147 879 236 | -185 471 979 | -184 496 262 | -125 996 541 |
| Other Payments: Remuneration to Councillors | -12 171 102 | -13 267 829 | -13 322 726 | -12610029 |
| | -342 931 352 | -409 902 066 | -404 909 777 | -336 485 813 |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 54 219 136 | 36 541 479 | 39 894 153 | 68 252 373 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | -13 898 546 | -42 650 495 | -10 948 828 | -7572770 |
| Proceeds from sale of property, plant and equipment | 198 890 | - | - | 40870 |
| Purchase of other intangible assets | -263 312 | 0 | 0 | -18000 |
| NET CASH FROM/(USED) INVESTMENT ACTIVITIES | -13 962 968 | -42 650 495 | -10 948 828 | -7 549 900 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Receipts | | | | |
| Short-term Loans | - | - | - | - |
| Borrowing Long Term/Refinancing | - | - | - | - |
| Increase (Decrease) in Consumer Deposits | - | - | - | - |
| Payments | | | | |
| Finance lease payments | 0 | - | - | 0 |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | 0 | - | - | 0 |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | 40 256 168 | -6 109 016 | 28 945 325 | 60 702 473 |
| Cash/Cash Equivalents at the beginning of the Year | 616 034 060 | 640 579 304 | 656 290 226 | 656 290 226 |
| Cash/Cash Equivalents at the Year-end | 656 290 228 | 634 470 288 | 685 235 551 | 716 992 699 |

Source: MBRR SA7 T5.9.1

5.10 BORROWING AND INVESTMENTS

The CWDM has no outstanding loans.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

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

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

5.12 GRAP COMPLIANCE

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

CHAPTER 6 – AUDITOR-GENERAL’S FINDINGS

DRAFT

Report of the auditor-general to the Western Cape Provincial Parliament and the 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 3 to 113, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flows statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Winelands District Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2020.

Underspending of the budget

8. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget per vote by 15,51% or R65 331 287. This resulted from a number of projects that could not be completed in the financial year, which led to the under expenditure. The roads department was unable to complete all projects as planned due to the national lockdown, as disclosed in note 46 to the financial statements.

Other matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 114 to 120 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 them.

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the municipality's annual performance report, for the year ended 30 June 2020:

| Objectives | Pages in annual performance report |
|--|------------------------------------|
| Strategic Objective Two: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities. | 10- 13 |

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and

related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. I did not identify material findings on the usefulness and reliability of the reported performance information selected strategic objective.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on page 10 to 13 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

24. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

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

26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

28. If, based on the work performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am

required to report that fact. I have nothing to report in this regard. In addition, I have not yet received the audit committee report

29. When I do receive and read the Audit committee report, 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

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

Auditor - General

Cape Town

28 February 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

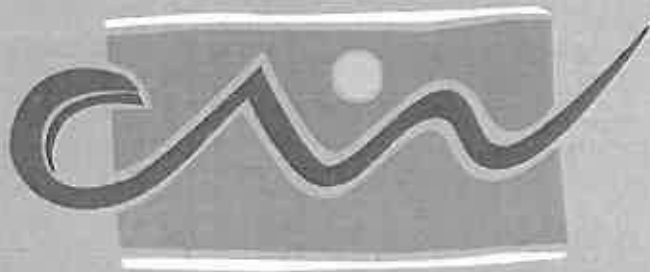
Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may

reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

CHAPTER 7 – ANNUAL FINANCIAL STATEMENTS

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CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA



Unaudited Annual Financial Statements 2019/20

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

General Information

Legal form of entity

Municipality (MFMA)

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

Nature of business and principal activities

The Municipality is a local authority that -

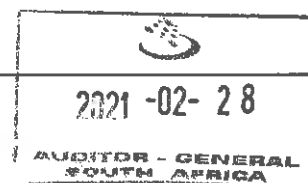
- a) Ensures comprehensive and equitable Municipal Health Services within the Cape Winelands;
- b) Ensures co-ordination of multi-disciplinary and sectorial disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment, Response and Recovery;
- c) Provides effective planning and co-ordination of fire fighting services, prevention activities and training services throughout the Cape Winelands;
- d) Facilitates environmentally sustainable economic development & 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 local municipalities to facilitate economic development planning within the Cape Winelands;
- h) Increases access to safe and efficient transport;
- i) Develops integrated and sustainable human settlements;
- j) Integrates service delivery for maximum impact;
- k) Creates opportunities for growth and development in rural areas; and
- l) Empowers vulnerable groups, build human capital, invest in social capital and rural development programmes.

Mayoral committee

Ald. (Dr) H VON SCHLICHT (MAYOR)
Ald. C MEYER (SPEAKER)
Cllr. D SWART (DEPUTY MAYOR)
Cllr. G.J CARINUS
Cllr. J.J DU PLESSIS
Cllr. L.W NIEHAUS
Cllr. A FLORENCE
Cllr. P.C RAMOKHABI
Cllr. J.D.F VAN ZYL
Cllr. D.D JOUBERT (RESIGN 31/10/2019)
Cllr. L LANDU (APPOINTED 31/10/2019)

Other Councillors

Cllr. Z.L MASOKA
Cllr. C DAMENS
Cllr. X KALIPA
Cllr. M.M ADRIAANSE (RESIGNED 31/07/2018)
Cllr. J.S MOUTON
Cllr. E.S.C MATJAN
Cllr. A CROMBIE
Cllr. J.J VAN ROOYEN
Cllr. C STEYN



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

General Information

| | |
|--------------------------------------|---|
| | Cllr. E QHANKQISO Cllr. B.B NTSHINGILA Cllr. W.M BLOM Cllr. G.J FREDERICKS Cllr. S.S MAGQAZANA Cllr. D.R.A SNYDERS Cllr. P HESS Ald. J.W SCHUURMAN Cllr. M.T KLAAS Cllr. R DU TOIT Cllr. L.N QOBA Cllr. W VROLICK Cllr. R.S NALUMANGO Cllr. P DANIELS Cllr. A.J SHIBILI Cllr. C.F WILSKUT Cllr. L.S SAMBOKWE Cllr. N TETENA Cllr. S.C RENS Cllr. J SMIT - (APPOINTED 02/10/2018) Cllr. N.D SAUERMAN - (APPOINTED 02/10/2018) Cllr. M.N BUSHWANA (APPOINTED 31/07/2019) Cllr. E GOUWS - (RESIGNED 31/07/2018)) Cllr. N.S LOUW - (RESIGNED 31/07/2018) Cllr. D.D JOUBERT (APPOINTED 31/10/2019) Cllr. P MARAN (RESIGNED 15/05/2019) Cllr. L LANDU (RESIGN 31/10/2019) |
| Grading of local authority | GRADE 4 MEDIUM CAPACITY |
| Municipal Manager | H.F PRINS |
| Chief Financial Officer (CFO) | F.A DU RAAN - GROENEWALD |
| Registered office | 46 ALEXANDER STREET STELLENBOSCH 7600 |
| Postal address | P.O.BOX 100 STELLENBOSCH 7599 |
| Telephone | 0861 265 263 |
| Bankers | NEDBANK |
| Auditors | AUDITOR GENERAL OF SOUTH AFRICA (AGSA) |



Cape Winelands District Municipality

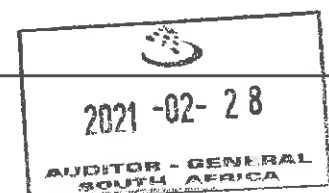
Financial Statements for the year ended 30 June 2020

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| | |
|---------|--|
| IDP | Integrated Development Plan |
| CRR | Capital Replacement Reserve |
| LG SETA | Local Government Sector Education and Training Authority |
| mSCOA | municipal Standard Chart of Accounts |
| GRAP | Generally Recognised Accounting Practice |
| PPPFA | Preferential Procurement Policy Framework Act |
| PRMA | Post Retirement Medical Aid |
| RRAMS | Rural Roads Asset Management System |
| MPAC | Municipal Public Accounts Committee |
| IPSAS | International Public Sector Accounting Standards |
| Cllr | Councillor |
| VAT | Value-Added Tax |
| MFMA | Municipal Finance Management Act |
| CPI | Consumer Price Index |
| CWDM | Cape Winelands District Municipality |
| MSA | Municipal Systems Act |
| WCA | Workmen's Compensation Assistance |



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Local Government: 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 are given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

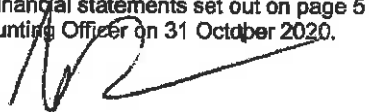
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the Municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting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

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

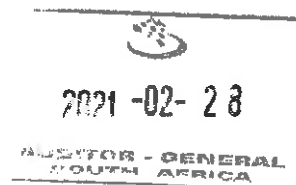
The accounting officer has reviewed the Municipality's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, he is satisfied that the Municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The financial statements set out on page 5 - 113, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 October 2020.



Accounting Officer
HF Prins



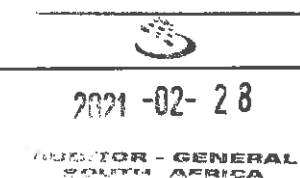
Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

| Figures in Rand | Note(s) | 2020 | 2019 Restated* |
|--|---------|--------------------|--------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 716 992 699 | 656 290 226 |
| Other receivables from exchange transactions | 4 | 26 075 197 | 30 021 232 |
| Trade receivables from exchange transactions | 5 | 74 781 | 34 770 |
| Inventories | 6 | 2 888 968 | 2 532 251 |
| VAT receivable | 7 | 1 441 403 | - |
| Receivables from non-exchange transactions | 8 | 313 530 | 73 254 |
| Employee benefit asset | 13 | 2 002 682 | 2 632 167 |
| | | <u>749 789 260</u> | <u>691 583 900</u> |
| Non-Current Assets | | | |
| Property, plant and equipment | 9 | 158 436 891 | 159 842 506 |
| Intangible assets | 10 | 867 211 | 1 001 264 |
| Employee benefit asset | 13 | 5 430 459 | 14 008 329 |
| | | <u>164 734 561</u> | <u>174 852 099</u> |
| Non-Current Assets | | 164 734 561 | 174 852 099 |
| Current Assets | | 749 789 260 | 691 583 900 |
| Total Assets | | <u>914 523 821</u> | <u>866 435 999</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Unspent conditional grants and receipts | 11 | 6 505 793 | 4 597 666 |
| Payables from exchange transactions | 12 | 8 220 682 | 4 557 152 |
| VAT payable | 39 | - | 51 497 |
| Employee benefit obligation | 13 | 34 655 570 | 29 414 165 |
| Provisions | 38 | 57 263 | 13 471 |
| | | <u>49 439 308</u> | <u>38 633 951</u> |
| Non-Current Liabilities | | | |
| Employee benefit obligation | 13 | 136 261 501 | 145 267 952 |
| Non-Current Liabilities | | 136 261 501 | 145 267 952 |
| Current Liabilities | | 49 439 308 | 38 633 951 |
| Total Liabilities | | <u>185 700 809</u> | <u>183 901 903</u> |
| Assets | | 914 523 821 | 866 435 999 |
| Liabilities | | (185 700 809) | (183 901 903) |
| Net Assets | | <u>728 823 012</u> | <u>682 534 096</u> |
| Accumulated surplus | 14 | 728 823 012 | 682 534 096 |

* See Note 28



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

| Figures in Rand | Note(s) | 2020 | 2019 Restated* |
|---|---------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Service charges | 15 | 111 143 | 136 065 |
| Rental of facilities and equipment | 16 | 229 975 | 248 345 |
| Roads services | 17 | 106 276 009 | 108 552 545 |
| Other income | 18 | 1 507 951 | 3 389 329 |
| Interest received - investment | 19 | 55 405 905 | 54 293 664 |
| Total revenue from exchange transactions | | 163 530 983 | 166 619 948 |
| Revenue from non-exchange transactions | | | |
| Transfer revenue | | | |
| Government grants and subsidies | 20 | 239 156 653 | 231 988 667 |
| | | 163 530 983 | 166 619 948 |
| | | 239 156 653 | 231 988 667 |
| Total revenue | | 402 687 636 | 398 608 615 |
| Expenditure | | | |
| Employee related costs | 22 | (203 282 247) | (179 039 248) |
| Remuneration of councillors | 23 | (12 610 029) | (12 171 102) |
| Depreciation and amortisation | 24 | (8 508 351) | (10 146 142) |
| Lease rentals on operating lease | | (271 040) | (285 499) |
| Debt impairment | 25 | (50 593) | (55 718) |
| Bad debt written off | | (162 507) | - |
| Contracted services | 41 | (36 787 479) | (43 484 511) |
| Transfers and Subsidies | 40 | (18 837 912) | (11 423 783) |
| Loss on disposal of assets | | (581 218) | (881 488) |
| Inventories losses/write-downs | | (35 439) | (43 355) |
| General Expenses | 26 | (75 271 906) | (88 764 882) |
| Total expenditure | | (356 398 721) | (346 295 728) |
| Total revenue | | 402 687 636 | 398 608 615 |
| Total expenditure | | (356 398 721) | (346 295 728) |
| Surplus for the year | | 46 288 915 | 52 312 887 |

* See Note 28

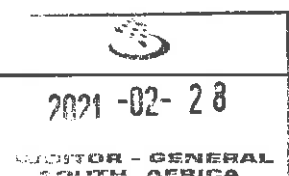


Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|---|---------------------|--------------------|
| Opening balance as previously reported | 624 329 795 | 624 329 795 |
| Correction of errors | 5 891 414 | 5 891 414 |
| Balance at 01 July 2018 as restated* | 630 221 209 | 630 221 209 |
| Changes in net assets | | |
| Surplus previous year (2018/2019) | 52 312 887 | 52 312 887 |
| Restated surplus 2018/2019 | 52 312 887 | 52 312 887 |
| Restated* Balance at 01 July 2019 | 682 534 097 | 682 534 097 |
| Changes in net assets | | |
| Surplus for the year | 46 288 915 | 46 288 915 |
| Total changes | 46 288 915 | 46 288 915 |
| Balance at 30 June 2020 | 728 823 012 | 728 823 012 |
| Note(s) | 14 | |

* See Note 28



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Cash Flow Statement

| Figures in Rand | Note(s) | 2020 | 2019 Restated* |
|---|---------|---------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Sale of goods and services | | 106 624 146 | 111 197 027 |
| Grants | | 239 156 653 | 231 988 667 |
| Interest income | | 58 957 387 | 53 964 794 |
| | | <u>404 738 186</u> | <u>397 150 488</u> |
| Payments | | | |
| Employee costs | | (197 879 243) | (182 881 014) |
| Suppliers | | (125 996 541) | (147 879 236) |
| Other payments: Remuneration to Councillors | | (12 610 029) | (12 171 102) |
| | | <u>(336 485 813)</u> | <u>(342 931 352)</u> |
| Total receipts | | 404 738 186 | 397 150 488 |
| Total payments | | (336 485 813) | (342 931 352) |
| Net cash flows from operating activities | 29 | <u>68 252 373</u> | <u>54 219 136</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 9 | (7 572 770) | (13 898 546) |
| Proceeds from sale of property, plant and equipment | 9 | 40 870 | 198 890 |
| Purchase of intangible assets | 10 | (18 000) | (263 312) |
| | | <u>(7 549 900)</u> | <u>(13 962 968)</u> |
| Net cash flows from investing activities | | <u>(7 549 900)</u> | <u>(13 962 968)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 60 702 473 | 40 256 168 |
| Cash and cash equivalents at the beginning of the year | | <u>656 290 226</u> | <u>616 034 060</u> |
| Cash and cash equivalents at the end of the year | 3 | <u>716 992 699</u> | <u>656 290 228</u> |

* See Note 28

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|----------------------|------------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Service charges | 200 000 | - | 200 000 | 111 143 | (88 857) | Note 46 |
| Rental of facilities and equipment | 240 000 | - | 240 000 | 229 975 | (10 025) | Note 46 |
| Roads services | 125 524 743 | - | 125 524 743 | 106 276 009 | (19 248 734) | Note 46 |
| Other income | 1 863 990 | - | 1 863 990 | 1 507 951 | (356 039) | Note 46 |
| Interest received - investment | 56 500 000 | - | 56 500 000 | 55 405 905 | (1 094 095) | Note 46 |
| Total revenue from exchange transactions | 184 328 733 | - | 184 328 733 | 163 530 983 | (20 797 750) | |
| Revenue from non-exchange transactions | | | | | | |
| Transfer revenue | | | | | | |
| Government grants and subsidies | 244 903 703 | - | 244 903 703 | 239 156 653 | (5 747 050) | Note 46 |
| Expenditure | | | | | | |
| Employee related costs | (226 300 373) | (329 787) | (226 630 160) | (203 282 247) | 23 347 913 | Note 46 |
| Remuneration of councillors | (13 322 726) | - | (13 322 726) | (12 610 029) | 712 697 | Note 46 |
| Depreciation and amortisation | (11 941 842) | (34 690) | (11 976 532) | (8 508 351) | 3 468 181 | Note 46 |
| Lease rentals on operating lease | (1 025 000) | - | (1 025 000) | (271 040) | 753 960 | Note 46 |
| Debt Impairment | (20 000) | (213 150) | (233 150) | (50 593) | 182 557 | Note 46 |
| Bad debt written off | (998 100) | - | (998 100) | (162 507) | 835 593 | Note 46 |
| Contracted Services | (52 141 971) | (86 362) | (52 228 333) | (36 787 479) | 15 440 854 | Note 46 |
| Transfers and Subsidies | (20 617 637) | (254 210) | (20 871 847) | (18 837 912) | 2 033 935 | Note 46 |
| General expenses | (95 420 511) | 1 593 008 | (93 827 503) | (75 271 906) | 18 555 597 | Note 46 |
| Total expenditure | (421 788 160) | 674 809 | (421 113 351) | (355 782 064) | 65 331 287 | |
| Operating surplus | 7 444 276 | 674 809 | 8 119 085 | 46 905 572 | 38 786 487 | |
| Loss on disposal of assets | (196 610) | (639 309) | (835 919) | (581 218) | 254 701 | Note 46 |
| Inventories losses/write-downs | - | (35 500) | (35 500) | (35 439) | 61 | Note 46 |
| | (196 610) | (674 809) | (871 419) | (616 657) | 254 762 | |
| Surplus | 7 247 666 | - | 7 247 666 | 46 288 915 | 39 041 249 | |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|----------------------|-------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Position | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Inventories | 2 548 922 | - | 2 548 922 | 2 888 968 | 340 046 | Note 46 |
| Other receivables from exchange transactions | 26 165 719 | - | 26 165 719 | 26 075 197 | (90 522) | Note 46 |
| Receivables from non-exchange transactions | - | - | - | 313 530 | 313 530 | Note 46 |
| VAT receivable | - | - | - | 1 441 403 | 1 441 403 | Note 46 |
| Employee benefit asset | 3 145 130 | - | 3 145 130 | 2 002 682 | (1 142 448) | Note 46 |
| Trade receivables from exchange transactions | - | - | - | 74 781 | 74 781 | Note 46 |
| Cash and cash equivalents | 685 235 551 | - | 685 235 551 | 716 992 699 | 31 757 148 | Note 46 |
| | 717 095 322 | - | 717 095 322 | 749 789 260 | 32 693 938 | |
| Non-Current Assets | | | | | | |
| Property, plant and equipment | 151 830 220 | - | 151 830 220 | 158 436 891 | 6 606 671 | Note 46 |
| Intangible assets | 238 812 | - | 238 812 | 867 211 | 628 399 | Note 46 |
| Employee benefit asset | 11 541 750 | - | 11 541 750 | 5 430 459 | (6 111 291) | Note 46 |
| | 163 610 782 | - | 163 610 782 | 164 734 561 | 1 123 779 | |
| Non-Current Assets | 717 095 322 | - | 717 095 322 | 749 789 260 | 32 693 938 | |
| Current Assets | 163 610 782 | - | 163 610 782 | 164 734 561 | 1 123 779 | |
| Total Assets | 880 706 104 | - | 880 706 104 | 914 523 821 | 33 817 717 | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Payables from exchange transactions | 4 038 753 | - | 4 038 753 | 8 220 682 | 4 181 929 | Note 46 |
| VAT payable | 105 873 | - | 105 873 | - | (105 873) | Note 46 |
| Consumer deposits | 20 000 | - | 20 000 | - | (20 000) | Note 46 |
| Employee benefit obligation | 48 357 658 | - | 48 357 658 | 34 655 570 | (13 702 088) | Note 46 |
| Unspent conditional grants and receipts | 5 697 088 | - | 5 697 088 | 6 505 793 | 808 705 | Note 46 |
| Provisions | - | - | - | 57 263 | 57 263 | Note 46 |
| | 58 219 372 | - | 58 219 372 | 49 439 308 | (8 780 064) | |
| Non-Current Liabilities | | | | | | |
| Employee benefit obligation | 140 033 459 | - | 140 033 459 | 136 261 501 | (3 771 958) | Note 46 |
| | 58 219 372 | - | 58 219 372 | 49 439 308 | (8 780 064) | |
| | 140 033 459 | - | 140 033 459 | 136 261 501 | (3 771 958) | |
| Total Liabilities | 198 252 831 | - | 198 252 831 | 185 700 809 | (12 552 022) | |
| Assets | 880 706 104 | - | 880 706 104 | 914 523 821 | 33 817 717 | |
| Liabilities | (198 252 831) | - | (198 252 831) | (185 700 809) | 12 552 022 | |
| Net Assets | 682 453 273 | - | 682 453 273 | 728 823 012 | 46 369 739 | |
| Reserves | | | | | | |
| Accumulated surplus | 682 453 273 | - | 682 453 273 | 728 823 012 | 46 369 739 | Note 46 |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|

Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

| | | | | | | |
|----------------------------|--------------------|---|--------------------|--------------------|---------------------|---------|
| Sale of goods and services | 141 670 788 | - | 141 670 788 | 106 624 146 | (35 046 642) | Note 46 |
| Grants | 246 633 142 | - | 246 633 142 | 239 156 653 | (7 476 489) | Note 46 |
| Interest income | 56 500 000 | - | 56 500 000 | 58 957 387 | 2 457 387 | Note 46 |
| | 444 803 930 | - | 444 803 930 | 404 738 186 | (40 065 744) | |

Payments

| | | | | | | |
|---|----------------------|---|----------------------|----------------------|-------------------|---------|
| Employee costs | (207 090 789) | - | (207 090 789) | (197 879 243) | 9 211 546 | Note 46 |
| Suppliers | (184 496 262) | - | (184 496 262) | (125 996 541) | 58 499 721 | Note 46 |
| Other payments: Remuneration to councillors | (13 322 726) | - | (13 322 726) | (12 610 029) | 712 697 | Note 46 |
| | (404 909 777) | - | (404 909 777) | (336 485 813) | 68 423 964 | |

| | | | | | | |
|----------------|-------------|---|--------------------|-------------|---------------------|--|
| Total receipts | 444 803 930 | - | 444 803 930 | 404 738 186 | (40 065 744) | |
|----------------|-------------|---|--------------------|-------------|---------------------|--|

| | | | | | | |
|----------------|---------------|---|----------------------|---------------|-------------------|--|
| Total payments | (404 909 777) | - | (404 909 777) | (336 485 813) | 68 423 964 | |
|----------------|---------------|---|----------------------|---------------|-------------------|--|

| | | | | | | |
|---|-------------------|---|-------------------|-------------------|-------------------|--|
| Net cash flows from operating activities | 39 894 153 | - | 39 894 153 | 68 252 373 | 28 358 220 | |
|---|-------------------|---|-------------------|-------------------|-------------------|--|

Cash flows from investing activities

| | | | | | | |
|---|--------------|---|---------------------|-------------|------------------|---------|
| Purchase of property, plant and equipment | (10 948 828) | - | (10 948 828) | (7 572 770) | 3 376 058 | Note 46 |
| Proceeds from sale of property, plant and equipment | - | - | - | 40 870 | 40 870 | Note 46 |
| Purchase of intangible assets | - | - | - | (18 000) | (18 000) | Note 46 |

| | | | | | | |
|---|---------------------|---|---------------------|--------------------|------------------|--|
| Net cash flows from investing activities | (10 948 828) | - | (10 948 828) | (7 549 900) | 3 398 928 | |
|---|---------------------|---|---------------------|--------------------|------------------|--|

| | | | | | | |
|--|------------|---|-------------------|------------|-------------------|--|
| Net increase/(decrease) in cash and cash equivalents | 28 945 325 | - | 28 945 325 | 60 702 473 | 31 757 148 | |
|--|------------|---|-------------------|------------|-------------------|--|

| | | | | | | |
|--|-------------|---|--------------------|-------------|---|--|
| Cash and cash equivalents at the beginning of the year | 656 290 226 | - | 656 290 226 | 656 290 226 | - | |
|--|-------------|---|--------------------|-------------|---|--|

| | | | | | | |
|---|--------------------|---|--------------------|--------------------|-------------------|--|
| Cash and cash equivalents at the end of the year | 685 235 551 | - | 685 235 551 | 716 992 699 | 31 757 148 | |
|---|--------------------|---|--------------------|--------------------|-------------------|--|

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

1. Presentation of Financial Statements

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

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

All figures have been rounded to the nearest Rand.

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

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

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

1.1 Significant judgements and sources of estimation uncertainty

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

Receivables

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

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

Impairment testing

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

Value in use of cash generating assets:

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

Value in use of non-cash generating assets:

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

Useful lives of property, plant and equipment and other assets

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

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

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

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

Effective interest rate

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

Allowance for impairment

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

Allowance for slow moving, damaged and obsolete inventory

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 38.

Impairment of statutory receivables

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

Accounting by principals and agents

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.2 Reserves

Internal ring fenced reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. The amount transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan. 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.
- 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 Western Cape Provincial Government in respect of the future medical liability of the road staff are included in the balance of cash and cash equivalents.

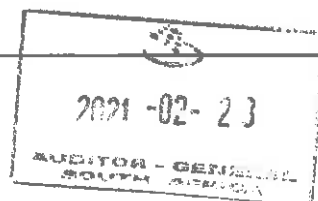
1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.



Cape Winelands District Municipality

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Accounting Policies

1.4 Property, plant and equipment (continued)

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.

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 equipment - at cost less accumulated depreciation and accumulated impairment losses; and
- (ii) Buildings - at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

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

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

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

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

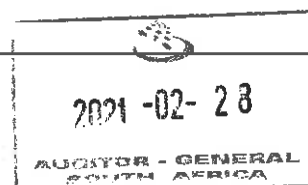
Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

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

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



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.4 Property, plant and equipment (continued)

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

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

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

Expected useful life

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

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

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Intangible assets (continued)

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

Intangible assets are initially recognised at cost.

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

| Item | Useful life |
|--------------------------|--------------|
| Computer software, other | 3 - 10 years |

Intangible assets are derecognised:

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

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

1.6 Heritage assets

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

Recognition

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

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

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

The Municipality has the following registered Heritage Assets:

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

Impairment

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

External sources:

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.6 Heritage assets (continued)

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.

1.7 Changes In accounting polcles, estimates errors

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

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

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

1.8 Financial Instruments

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

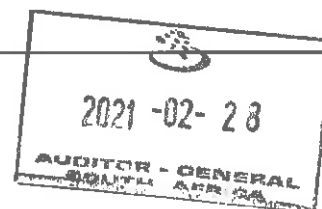
The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

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

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

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

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



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Financial instruments (continued)

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.

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.

Accounting Policies

1.8 Financial Instruments (continued)

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.

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

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

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

Reclassification

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

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

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

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

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

Fair value measurement considerations

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

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

Gains and losses

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Financial instruments (continued)

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.

Impairment and uncollectibility of financial assets

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

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

Financial assets measured at amortised cost

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

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

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

Financial liabilities

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

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.9 Statutory receivables

Identification

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

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

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

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

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Other charges

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

Impairment losses

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

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

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

Cape Winelands District Municipality

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Accounting Policies

1.9 Statutory receivables (continued)

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

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

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

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

Derecognition

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

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

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

1.10 Leases

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

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

Finance leases - lessee

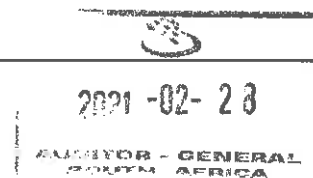
Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position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

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

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

Operating leases - lessor

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



Cape Winelands District Municipality

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Accounting Policies

1.10 Leases (continued)

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

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

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

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

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

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

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

1.11 Inventories

Inventories consist of unsold properties and consumables.

Initial measurement

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

Subsequent measurement

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

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

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

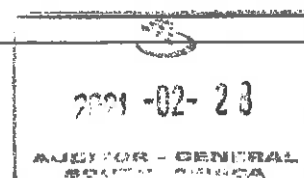
The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

Derecognition

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



Accounting Policies

1.11 Inventories (continued)

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

1.12 Grants in Aid

The Municipality annually awards grants to organisations in terms of Section 67 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003). When making these transfers, the Municipality does not:

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

1.13 Events after reporting date

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

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

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

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

1.14 Budget information

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

The approved budget covers the period from 2019/07/01 to 2020/06/30.

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

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

1.15 Related parties

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

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

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.15 Related parties (continued)

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

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

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

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

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

1.16 Value added Tax (VAT)

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

1.17 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

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

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Accounting Policies

1.17 Impairment of cash-generating assets (continued)

Identification

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

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

Value in use

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

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

Discount rate

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

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

An impairment loss is recognised immediately in surplus or deficit.

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

Cash-generating units

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

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

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

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

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

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

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

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

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



Accounting Policies

1.17 Impairment of cash-generating assets (continued)

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.

Reversal of impairment loss

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

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

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

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

1.18 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

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

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

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

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

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

Reversal of an impairment loss

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

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

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

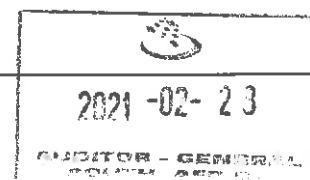
After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining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

1.19 Provisions and contingencies

Provisions are recognised when:

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

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



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.19 Provisions and contingencies (continued)

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

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

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

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 42.

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

A contingent liability:

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

1.20 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.21 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

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

Measurement

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

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Revenue from exchange transactions (continued)

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.

Roads service 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 an municipality, which represents an increase in net assets.

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

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

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

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

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

Recognition

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

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

Measurement

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

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

Transfers

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

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

Gifts and donations, including goods in-kind

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

Services in-kind

Services in-kind are not recognised.

1.23 Borrowing costs

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

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

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to notes 28 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 Municipal Finance Management Act.

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

1.26 Fruitless and wasteful expenditure

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



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.26 Fruitless and wasteful expenditure (continued)

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

1.27 Irregular expenditure

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

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

1.28 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for services rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- a municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for services rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

Accounting Policies

1.28 Employee benefits (continued)

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Long term receivable

When, and only when, it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, a municipality shall recognise its right to reimbursement as a separate asset. The municipality shall measure the asset at fair value. In all other respects, the municipality shall treat that asset in the same way as plan assets. In the statement of financial performance, the expense relating to a defined benefit plan may be presented net of the amount recognised for a reimbursement.

The municipality recognised a long term receivable relating to the recoveries from the Department of Transport and Public Works in respect of the post-employment medical benefit relating to the roads staff.

The assumptions used by the actuaries to calculate the portion of the roads staff are the same as that used to calculate the amount of the liability relating to the post-employment medical aid.

Multi-employer plans

The entity classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined benefit plan, the entity accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Accounting Policies

1.28 Employee benefits (continued)

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Accounting Policies

1.28 Employee benefits (continued)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Accounting Policies

1.28 Employee benefits (continued)

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.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

Figures in Rand

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for financial years beginning on or after 01 April 2019.

The municipality has adopted the interpretation for the first time in the 2019/2020 financial statements.

The impact of the interpretation is not material.

IGRAP 19: Liabilities to Pay Levies

This Interpretation of the Standards of GRAP provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

To clarify the accounting for a liability to pay a levy, this Interpretation of the Standards of GRAP addresses the following issues:

- What is the obligating event that gives rise to the recognition of a liability to pay a levy?
- Does economic compulsion to continue to operate in a future period create a constructive obligation to pay a levy that will be triggered by operating in that future period?
- Does the going concern assumption imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period?
- Does the recognition of a liability to pay a levy arise at a point in time or does it, in some circumstances, arise progressively over time?
- What is the obligating event that gives rise to the recognition of a liability to pay a levy that is triggered if a minimum threshold is reached?

Consensus reached in this interpretation:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;
- An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period;
- The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period;
- The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time;
- If an obligation to pay a levy is triggered when a minimum threshold is reached, the accounting for the liability that arises from that obligation shall be consistent with the principles established in this Interpretation of the Standards of GRAP; and
- An entity shall recognise an asset, in accordance with the relevant Standard of GRAP, if it has prepaid a levy but does not yet have a present obligation to pay that levy.

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

2. New standards and interpretations (continued)

The effective date of the interpretation is for financial years beginning on or after 01 April 2019.

The municipality has adopted the interpretation for the first time in the 2019/2020 financial statements.

The impact of the interpretation is not material.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the interpretation is for financial years beginning on or after 01 April 2019.

The municipality has adopted the standard for the first time in the 2019/2020 financial statements.

The impact of the standard is not material.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is for financial years beginning on or after 01 April 2019.

The municipality has adopted the standard for the first time in the 2019/2020 financial statements.

The impact of the standard is not material.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

2. New standards and interpretations (continued)

The effective date of the interpretation is for financial years beginning on or after 01 April 2019.

The municipality has adopted the interpretation for the first time in the 2019/2020 financial statements.

The impact of the interpretation is not material.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard for financial years beginning on or after 01 April 2019.

The municipality has adopted the standard for the first time in the 2019/2020 financial statements.

The impact of the standard is not material.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

2. New standards and interpretations (continued)

- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that 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.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for financial years beginning on or after 01 April 2019.

The municipality has adopted the standard for the first time in the 2019/2020 financial statements.

The impact of the standard is not material.

2.2 Standards and Interpretations early adopted

The municipality has chosen not to early adopt any standards and interpretations.

2.3 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 2020 or later periods:

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent 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

Notes to the Financial Statements

2. New standards and interpretations (continued)

- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date has not been set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1.

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An municipality applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for financial years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 financial statements.

The impact of the amendment is not material.

IGRAP 20: Accounting for Adjustments to Revenue

As per the background to this Interpretation of the Standards of GRAP, there are a number of legislative and regulatory processes that govern how entities levy, charge or calculate revenue, in the public sector. Adjustments to revenue already recognised in terms of legislation or similar means arise from the completion of an internal review process within the entity, and/or the outcome of an external appeal or objection process undertaken in terms of legislation or similar means. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process can either result in a change in an accounting estimate, or a correction of an error.

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

2. New standards and interpretations (continued)

As per the scope, this Interpretation of the Standards of GRAP clarifies the accounting for adjustments to exchange and non-exchange revenue charged in terms of legislation or similar means, and interest and penalties that arise from revenue already recognised as a result of the completion of a review, appeal or objection process. Changes to the measurement of receivables and payables, other than those changes arising from applying this Interpretation, are dealt with in accordance with the applicable Standards of GRAP. The principles in this Interpretation may be applied, by analogy, to the accounting for adjustments to exchange or non-exchange revenue that arises from contractual arrangements where the fact patterns are similar to those in the Interpretation.

The interpretation sets out the issues and relating consensus with accounting for adjustments to revenue.

The effective date of the interpretation is for financial years beginning on or after 01 April 2020.

The municipality expects to adopt the interpretation for the first time in the 2020/2021 financial statements.

It is unlikely that the interpretation will have a material impact on the municipality's financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is for financial years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is for financial years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

Notes to the Financial Statements

2. New standards and interpretations (continued)

GRAP 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is for financial years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 37: Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is for financial years beginning on or after 01 April 2020

The municipality expects to adopt the standard for the first time in the 2020/2021 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 110 (as amended 2016): Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

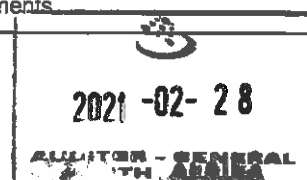
The subsequent amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- **General improvements:** To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- **IPSASB amendments:** To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the standard is for financial years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 financial statements.



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

2. New standards and interpretations (continued)

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 34: Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is for financial years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue

The amendments to this Interpretation of the Standard of GRAP clarifies that the entity should also consider other factors in assessing the probability of future economic benefits or service potential to the entity. Entities are also uncertain of the extent to which factors, other than the uncertainty about the collectability of revenue, should be considered when determining the probability of the inflow of future economic benefits or service potential on initial recognition of revenue. For example, in providing certain goods or services, or when charging non-exchange revenue, the amount of revenue charged may be reduced or otherwise modified under certain circumstances. These circumstances include, for example, where the entity grants early settlement discounts, rebates or similar reductions based on the satisfaction of certain criteria, or as a result of adjustments to revenue already recognised following the outcome of any review, appeal or objection process.

The consensus is that on initial recognition of revenue, an entity considers the revenue it is entitled to, following its obligation to collect all revenue due to it in terms of legislation or similar means. In addition, an entity considers other factors that will impact the probable inflow of future economic benefits or service potential, based on past experience and current facts and circumstances that exist on initial recognition.

A municipality applies judgement based on past experience and current facts and circumstances.

The effective date of the amendment is for financial years beginning on or after 01 April 2020.

The municipality expects to adopt the interpretation for the first time in the 2020/2021 financial statements.

It is unlikely that the interpretation will have a material impact on the municipality's financial statements.

GRAP 18 (as amended 2016): Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

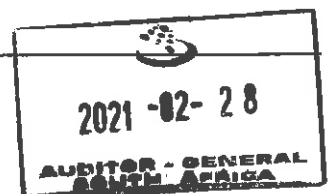
Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The subsequent amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for financial years beginning on or after 01 April 2020.



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

2. New standards and interpretations (continued)

The municipality expects to adopt the standard for the first time in the 2020/2021 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

| Figures in Rand | 2020 | 2019 |
|---------------------------------------|--------------------|--------------------|
| 3. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 2 252 | 3 100 |
| Bank balances | 23 990 447 | 5 287 126 |
| Short-term investments | 693 000 000 | 651 000 000 |
| | 716 992 699 | 656 290 226 |

Included in the balance of cash and cash equivalents is an amount of R 27 156 658 (2019: R 22 948 015) relating to the portion recovered from the Provincial Government Western Cape, Department of Transport and Public Works, in respect of the future medical aid liability of the roads staff.

Included in the balance of cash and cash equivalents is an amount relating to unspent conditional grants. (refer to note 11).

No cash and cash equivalents have been pledged as security.

Short-term investments

ABSA - Investment

| | | |
|------------------------|--------------------|--------------------|
| Opening balance | 138 000 000 | 130 000 000 |
| Movements for the year | (1 000 000) | 8 000 000 |
| | 137 000 000 | 138 000 000 |

FNB - Investment

| | | |
|------------------------|--------------------|--------------------|
| Opening balance | 109 000 000 | 82 000 000 |
| Movements for the year | (4 000 000) | 27 000 000 |
| | 105 000 000 | 109 000 000 |

INVESTEC - Investment

| | | |
|------------------------|--------------------|--------------------|
| Opening balance | 108 000 000 | 91 000 000 |
| Movements for the year | 1 000 000 | 17 000 000 |
| | 109 000 000 | 108 000 000 |

NEDCOR - Investment

| | | |
|------------------------|--------------------|--------------------|
| Opening balance | 155 000 000 | 151 000 000 |
| Movements for the year | 16 000 000 | 4 000 000 |
| | 171 000 000 | 155 000 000 |

STANDARD BANK - Investment

| | | |
|------------------------|--------------------|--------------------|
| Opening balance | 141 000 000 | 148 000 000 |
| Movements for the year | 30 000 000 | (7 000 000) |
| | 171 000 000 | 141 000 000 |

The municipality had the following bank accounts

| Account number / description | Bank statement balances | | | Cash book balances | | |
|--------------------------------|-------------------------|------------------|-------------------|--------------------|------------------|------------------|
| | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2020 | 30 June 2019 | 30 June 2018 |
| Nedbank - Primary bank account | 8 990 447 | 2 787 126 | 5 030 960 | 8 990 447 | 2 787 126 | 5 030 960 |
| Nedbank - Call account | 15 000 000 | 2 500 000 | 9 000 000 | - | - | - |
| Total | 23 990 447 | 5 287 126 | 14 030 960 | 8 990 447 | 2 787 126 | 5 030 960 |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|-------------------|-------------------|
| 4. Other receivables from exchange transactions | | |
| Allowance for impairment | (160 018) | (32 302) |
| Prepayments | 2 334 241 | 3 076 009 |
| Deposits | 421 603 | 471 738 |
| Insurance claims | 255 159 | 243 220 |
| Municipal health debtor | 156 672 | 51 688 |
| Staff debt | 466 434 | 466 434 |
| Rental | 24 975 | 27 073 |
| Councillors | 65 425 | 79 984 |
| Accrued interest | 17 834 576 | 21 386 058 |
| Roads services (Department of Transport and Public Works) | 3 755 600 | 3 813 475 |
| Other receivables | 621 999 | 193 188 |
| Post retirement medical aid | 298 531 | 244 667 |
| | <u>26 075 197</u> | <u>30 021 232</u> |

To align to the accounting treatment for the funding received from Department of Transport and Public Works with regards to the roads maintenance, the prior year naming convention for this funding source was changed from agency services to roads services. Both the prior year and current year naming convention is therefore consistent. This allows the users of the financial statements to have a clear understanding of the substance to this funding source.

Other receivables pledged as security

No other receivables were pledged as security.

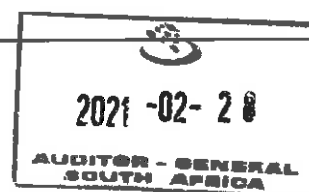
No collateral is held for any of the debtors disclosed above.

Credit quality of other receivables

The credit quality of other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty defaults. The Municipality's historical experience in collection of other trade receivables falls within recorded allowances. Due to these factors, management's view is that no additional risk beyond amounts provided for collection losses is inherent in the Municipality's other trade receivables.

Other receivables from exchange transactions

| | | |
|---|-------------------|-------------------|
| Gross balances | | |
| Other receivables from exchange transactions | <u>26 235 215</u> | <u>30 053 534</u> |
| Less: Allowance for Impairment | | |
| Other receivables | 108 454 | 455 |
| Post retirement medical aid | 51 564 | 31 847 |
| | <u>160 018</u> | <u>32 302</u> |
| Net balance | | |
| Other receivables | <u>26 075 197</u> | <u>30 021 232</u> |
| Other receivables from exchange transactions | | |
| Current (0 - 30 days) | 4 903 456 | 4 438 814 |
| 31 - 60 days | 31 668 | 5 420 |
| 61 - 90 days | 29 125 | 1 896 |
| 91 - 120 days | 29 698 | 74 |
| 121 - 365 days | 79 220 | 32 375 |
| > 365 days | 301 354 | 534 169 |
| | <u>5 374 521</u> | <u>5 012 748</u> |



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

Figures in Rand

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4. Other receivables from exchange transactions (continued)

None of the financial assets that are fully performing have been renegotiated in the last year.

Prepayments of R 2 334 241 (2019:R 3 076 009) were not included as the future economic benefits relate to the receipt of goods and services. Staff debt of R 466 434 (2019: R 466 434) and councillor debt R 65 425 (2019:R79 984) were not included as these relate to recoveries still to be concluded at reporting date. The interest accrual of R 17 834 576 (2019: R 21 386 058) was not included in the ageing as it is not due yet.

Other receivables past due but not impaired

Management regard other receivables from exchange transactions for outstanding amounts of more than 30 days as past due. The impairment of other receivables from exchange transactions is based on the historic payment rate of the receivable.

As at 30 June 2020 other receivables of R 1 002 924 (2019: R 653 918) were past due but not impaired.

No other receivables were pledged as security.

Reconciliation of provision for impairment of other receivables from exchange transactions

| | | |
|--------------------------|-----------|----------|
| Opening balance | (32 302) | (37 122) |
| Provision for impairment | (191 329) | (5 539) |
| Amounts written off | 63 153 | 260 |
| Reversal of allowance | 460 | 10 099 |
| | (160 018) | (32 302) |

5. Trade Receivables from exchange transactions

Gross balances

| | | |
|---------------|--------|---------|
| Fire Fighting | 95 559 | 132 671 |
|---------------|--------|---------|

Less: Allowance for impairment

| | | |
|---------------|----------|----------|
| Fire Fighting | (20 778) | (97 901) |
|---------------|----------|----------|

Net balance

| | | |
|---------------|--------|--------|
| Fire Fighting | 74 781 | 34 770 |
|---------------|--------|--------|

Fire fighting

| | | |
|----------------------|--------|---------|
| Current (0 -30 days) | - | 24 935 |
| 31 - 60 days | 74 781 | 9 836 |
| 61 - 90 days | - | 15 099 |
| 121 - 365 days | 20 778 | 30 514 |
| > 365 days | - | 52 287 |
| | 95 559 | 132 671 |

Reconciliation of allowance for impairment

| | | |
|---|----------|----------|
| Balance at beginning of the year | (97 901) | (37 623) |
| Contributions to allowance | (40 451) | (60 278) |
| Debt impairment written off against allowance | 99 354 | - |
| Reversal of allowance | 18 220 | - |
| | (20 778) | (97 901) |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|
|-----------------|------|------|

5. Trade Receivables from exchange transactions (continued)

Trade receivables pledged as security

No trade receivables were pledged as security.

The risk profile of each class of debtor was assessed to determine the allowance for impairment.

No collateral is held for any of the debtors disclosed above.

Credit quality of trade receivables

Due to historic trends that cannot be determined, the credit quality of each individual debtor that are neither due nor past nor impaired was assessed. As per the Credit Control and Debt Collection Policy, all debtors with accounts outstanding for more than 60 days are handed over to the debt collectors of the Municipality. The Municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management's view that no additional risk beyond amounts provided for collection losses is inherent in the Municipality's trade receivables.

Trade receivables past due but not impaired

The debt originated as a result of firefighting services rendered in terms of the Fire Fighting Act. The impairment for receivables from exchange transactions 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 2020 trade receivables of R nil (2019: R nil) were past due but not impaired.

Trade receivables impaired

As of 30 June 2020, trade receivables of R 20 778 (2019: R 97 901) were impaired and provided for.

The ageing of these receivables are as follows:

| | | |
|----------------------|--------|--------|
| Current (0 -30 days) | | |
| 31 - 60 days | | |
| 61 to 90 days | | 15 099 |
| 91 to 120 days | | |
| 121 days and more | 20 778 | 82 802 |

6. Inventories

| | | |
|-------------------|------------------|------------------|
| Consumable stores | 2 816 028 | 2 459 311 |
| Housing Stock | 72 940 | 72 940 |
| | <u>2 888 968</u> | <u>2 532 251</u> |

No inventory has been pledged as security.

Consumables valued at R 35 439 (2019: R 43 355) were written off and recognised in the Statement of Financial Performance.

Inventory valued at R 5 938 196 (2019: R 5 253 395) were expensed in the Statement of Financial Performance.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

| Figures in Rand | 2020 | 2019 |
|---------------------------------------|-----------|------|
| 7. VAT receivable | | |
| VAT | 1 441 403 | - |
| Statutory receivables | | |
| Gross balances | | |
| VAT receivable | 1 441 403 | - |
| Less: Allowance for impairment | | |
| VAT receivable | - | - |
| Net balance | | |
| VAT receivable | 1 441 403 | - |

Transactions arising from statute

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

The VAT receivable recognised at year end is mainly due to the impact of the difference between the input and output VAT recognised during the financial year as well as the accruals raised at year end.

No interest or other charges are levied against the statutory receivable.

Management regard statutory receivables as being impaired on the same basis that other receivables from exchange transactions are assessed for impairment (historic payment rate of the receivable).

Historically, all refunds have been received within 30 days of the submission of the VAT 201 returns to SARS.

Reconciliation of the provision for impairment

The statutory receivable is not considered to be impaired by the municipality.

Receivables past due not impaired

Statutory receivables which are less than 30 days past due are not considered for impairment. At 30 June 2020, Rnil (2019: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

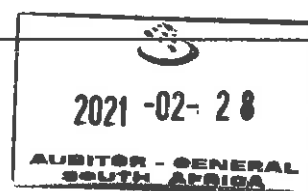
| | | |
|---------------------------------|---------|--------|
| Government grants and subsidies | 313 530 | 73 254 |
|---------------------------------|---------|--------|

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

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

Figures in Rand 2020 2019

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 of 30 June 2020, receivables from non-exchange transactions of Rnil (2019: Rnil) were impaired and provided for.

Net balances

| | | |
|---------------------------------------|---------|--------|
| Government grants and subsidies | 313 530 | 73 254 |
| Government grant and subsidies | | |
| Current (0 -30 days) | 156 765 | 73 254 |
| 31 - 60 days | 156 765 | - |
| | 313 530 | 73 254 |

Reconciliation of allowance for impairment of receivables from non-exchange transactions

| | | |
|-----------------|---|---|
| Opening balance | - | - |
|-----------------|---|---|

9. Property, plant and equipment

| | 2020 | | | 2019 | | |
|-------------------------------------|---------------------|--|--------------------|---------------------|--|--------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 66 384 904 | - | 66 384 904 | 66 384 904 | - | 66 384 904 |
| Buildings | 48 025 734 | (24 849 783) | 23 175 951 | 47 821 485 | (23 804 178) | 24 017 307 |
| Plant and equipment | 21 623 134 | (10 516 230) | 11 106 904 | 20 879 024 | (9 462 824) | 11 416 200 |
| Furniture and fittings | 8 147 315 | (5 097 753) | 3 049 562 | 8 108 775 | (4 820 854) | 3 287 921 |
| Motor vehicles | 52 211 799 | (21 057 750) | 31 154 049 | 47 452 614 | (18 534 607) | 28 918 007 |
| Office equipment | 27 160 547 | (11 159 673) | 16 000 874 | 28 255 745 | (10 503 572) | 17 752 173 |
| Infrastructure | 3 578 354 | (865 488) | 2 712 866 | 3 578 354 | (748 254) | 2 830 100 |
| Other property, plant and equipment | 8 498 197 | (3 646 416) | 4 851 781 | 8 461 777 | (3 225 883) | 5 235 894 |
| Total | 235 629 984 | (77 193 093) | 158 436 891 | 230 942 678 | (71 100 172) | 159 842 506 |

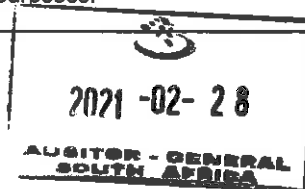
Criteria for determination for classification between Property, plant and equipment and Investment property.

The criteria created to identify whether an asset meets the definition of Property, plant and equipment (PPE) or Investment property have been determined as follows:

a) In the instance where the property yield rentals, where the majority of the property is held for administrative purposes and an insignificant portion is held for rentals, the total property will be evaluated as PPE and not as investment property. This will apply even if the intention is to rent the property out for a prolonged period.

b) Where a significant portion (more than 50%) of the total property including land and all other buildings is held for rentals, the property will be classified as investment property. This will apply even if management intends to rent the property out for a prolonged period.

Two properties consisting of two houses and one parking area were identified that are rented to the public. A significant portion of both the properties (land and buildings) are held by the municipality for administrative purposes.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

Figures in Rand 2020 2019

9. Property, plant and equipment (continued)

These properties are currently rented out for a specified period per the lease agreements entered into after a tender was awarded to the lessees. Prior to the expiry of the lease agreement the municipality will re-assess whether the use of these assets will be for municipal administrative purposes or whether capacity exists to enable a new lease to be considered.

A significant portion of the properties are held for administrative purposes. The consideration of a new lease is based on the need of the municipality prior to expiry of the lease agreements. These two properties meet the criteria set out above as Property, plant and equipment. These assets have been classified as Property, plant and equipment.

Reconciliation of property, plant and equipment - 2020

| | Opening balance | Additions | Disposals | Depreciation | Total |
|-------------------------------------|--------------------|------------------|------------------|--------------------|--------------------|
| Land | 66 384 904 | - | - | - | 66 384 904 |
| Buildings | 24 017 307 | 204 250 | - | (1 045 606) | 23 175 951 |
| Plant and equipment | 11 416 200 | 1 095 941 | (94 050) | (1 311 187) | 11 106 904 |
| Furniture and fittings | 3 287 921 | 142 105 | (26 961) | (353 503) | 3 049 562 |
| Motor vehicles | 28 918 007 | 5 151 394 | (117 703) | (2 797 649) | 31 154 049 |
| Office equipment | 17 752 173 | 818 645 | (346 156) | (2 223 788) | 16 000 874 |
| Infrastructure | 2 830 100 | - | - | (117 234) | 2 712 866 |
| Other property, plant and equipment | 5 235 894 | 160 435 | (37 217) | (507 331) | 4 851 781 |
| | 159 842 506 | 7 572 770 | (622 087) | (8 356 298) | 158 436 891 |

Reconciliation of property, plant and equipment - 2019

| | Opening balance | Additions | Disposals | Depreciation | Total |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
| Land | 66 384 904 | - | - | - | 66 384 904 |
| Buildings | 23 713 274 | 1 390 442 | - | (1 086 409) | 24 017 307 |
| Plant and equipment | 10 757 946 | 2 419 370 | (70 257) | (1 690 859) | 11 416 200 |
| Furniture and fittings | 3 717 689 | 199 033 | (114 484) | (514 317) | 3 287 921 |
| Motor vehicles | 28 387 492 | 4 324 278 | (566 207) | (3 227 556) | 28 918 007 |
| Office equipment | 17 706 251 | 3 082 884 | (293 864) | (2 743 098) | 17 752 173 |
| Infrastructure | 2 060 921 | 861 373 | - | (92 194) | 2 830 100 |
| Other property, plant and equipment | 4 162 082 | 1 621 166 | (1 713) | (545 641) | 5 235 894 |
| | 156 890 559 | 13 898 546 | (1 046 525) | (9 900 074) | 159 842 506 |

Reconciliation of repairs and maintenance - 2020

| | Contracted services | Employee related cost | Materials and supplies | Total |
|------------------------|---------------------|-----------------------|------------------------|------------------|
| Buildings | 1 410 637 | 1 913 047 | 103 044 | 3 426 728 |
| Office equipment | 706 144 | - | 14 656 | 720 800 |
| Plant and equipment | 48 609 | - | 2 370 | 50 979 |
| Furniture and fittings | 19 927 | - | 3 975 | 23 902 |
| Motor vehicles | 756 584 | - | 514 038 | 1 270 622 |
| Other | 104 634 | - | 58 319 | 162 953 |
| | 3 046 535 | 1 913 047 | 696 402 | 5 655 984 |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

Figures in Rand 2020 2019

9. Property, plant and equipment (continued)

Reconciliation of repairs and maintenance - 2019

| | Contracted services | Employee related cost | Materials and supplies | Total |
|------------------------|---------------------|-----------------------|------------------------|-----------|
| Buildings | 1 899 303 | 1 772 663 | 122 417 | 3 794 383 |
| Office equipment | 716 006 | - | 2 238 | 718 244 |
| Plant and equipment | 201 651 | - | 6 283 | 207 934 |
| Furniture and fittings | 11 559 | - | 150 | 11 709 |
| Motor vehicles | 1 167 664 | - | 536 889 | 1 704 553 |
| Other | 121 683 | - | - | 121 683 |
| | 4 117 866 | 1 772 663 | 667 977 | 6 558 506 |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

No assets have been pledged as security.

Other property, plant and equipment were split into the various classes as disclosed in the note for both the current and prior year.

An impairment assessment was performed based on the indicators as listed in the accounting policy under paragraph 1.4 Property, plant and equipment. No potential impairment losses have been recognized on Property, Plant and Equipment of the municipality at the reporting date.

An review of useful lives of property, plant and equipment was done. Management considers whether there is any indication that expectations about the useful life of an asset have changed since the preceding reporting date. There was changes in the estimated useful lives of various assets of the municipality for the financial year. Refer to Note 44 for details relating to the change in accounting estimates.

10. Intangible assets

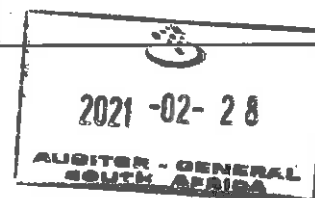
| | 2020 | | | 2019 | | |
|-------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software | 2 089 629 | (1 222 418) | 867 211 | 2 071 630 | (1 070 366) | 1 001 264 |

Reconciliation of intangible assets - 2020

| | Opening balance | Additions | Amortisation | Total |
|-------------------|-----------------|-----------|--------------|---------|
| Computer software | 1 001 264 | 18 000 | (152 053) | 867 211 |

Reconciliation of intangible assets - 2019

| | Opening balance | Additions | Disposals | Amortisation | Total |
|-------------------|-----------------|-----------|-----------|--------------|-----------|
| Computer software | 1 017 873 | 263 312 | (33 853) | (246 068) | 1 001 264 |



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

| Figures in Rand | 2020 | 2019 |
|--|--------------------|--------------------|
| 11. Unspent conditional grants and receipts | | |
| Community development workers (CDW) operational support grant | 102 887 | - |
| Integrated transport planning | 875 250 | 892 006 |
| Fire service capacity building grant | 1 046 000 | - |
| Western Cape financial management support grant | - | 895 040 |
| Water and sanitation | 35 560 | 35 560 |
| Western Cape financial management capacity building grant | 380 000 | 278 719 |
| Rural roads asset management system grant | 2 849 000 | 296 234 |
| Municipal service delivery and capacity building grant | - | 400 000 |
| Local government internship grant | 160 000 | 72 000 |
| Safety initiative implementation - Whole of society approach (WOSA) | 329 151 | 1 000 000 |
| Municipal systems improvement grant | - | 162 |
| Public contributions and donations | 727 945 | 727 945 |
| | <u>6 505 793</u> | <u>4 597 666</u> |
| See note 20 & 21 for reconciliation of grants from National/Provincial Government. | | |
| These amounts are invested until utilised. (refer to note 3). | | |
| 12. Payables from exchange transactions | | |
| Other payables | 3 421 949 | 125 827 |
| Creditor accruals | 3 223 496 | 2 876 378 |
| Working for water (Department of Environmental Affairs) | 812 430 | 812 430 |
| Payments received in advance | 60 975 | 30 478 |
| Retention | 267 582 | 581 234 |
| Trade payables | 430 731 | 129 756 |
| Unclaimed funds | 3 519 | 1 049 |
| | <u>8 220 682</u> | <u>4 557 152</u> |
| 13. Employee benefits | | |
| Current employee benefits | | |
| Employee benefit accruals | 1 347 592 | 661 076 |
| Current: Medical aid liability | 8 542 000 | 7 578 510 |
| Provision staff leave | 17 218 201 | 14 230 308 |
| 13th Cheque | 4 967 908 | 4 498 816 |
| Current: Ex-gratia benefit | 12 000 | 70 233 |
| Current: Long term service award | 2 025 000 | 1 635 094 |
| Performance bonus | 542 869 | 740 128 |
| | <u>34 655 570</u> | <u>29 414 165</u> |
| Other long term employee benefits | | |
| Long service award | 11 851 999 | 11 072 372 |
| Post-employee benefits | | |
| Post-Retirement Medical aid benefits | 122 992 501 | 132 706 087 |
| Ex-gratia benefit | 1 417 001 | 1 489 493 |
| | <u>124 409 502</u> | <u>134 195 580</u> |
| Current liability | 34 655 570 | 29 414 165 |
| Non-current liability | 136 261 501 | 145 267 952 |
| | <u>170 917 071</u> | <u>174 682 117</u> |



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

| | | |
|-----------------|------|------|
| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|

13. Employee benefits (continued)

The Municipality is currently finalising a Medical Funds Administration Policy to be approved by Council which invariably will impact the actuarial assumptions that informs the valuation and measurement of this provision in future years. Due to the National Lockdown the Unions could not consult with their members to provide inputs to the draft policy.

Post-retirement and medical aid benefits

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death in service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

In-service members will receive a post-employment subsidy of 60% or 70% of the contribution payable should they be a member of a medical aid at retirement.

All continuation members and their eligible dependents receive a 60% or 70% subsidy.

Upon a member's death-in-service or death-in-retirement the surviving dependents will continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Key Health
- Samwumed
- Hosmed
- LA Health

Details relating to eligible employees of the post-retirement medical aid benefit obligation are listed below.

| | | |
|---------------------------|---------------|---------------|
| Active members | | |
| Principal members | 308 | 314 |
| Average age | 48,3 | 46,4 |
| Average past service cost | R18,5 million | R16,4 million |

| | | |
|-----------------------------|------|------|
| Continuation members | | |
| Principal members | 151 | 149 |
| Average age | 71,8 | 71,9 |

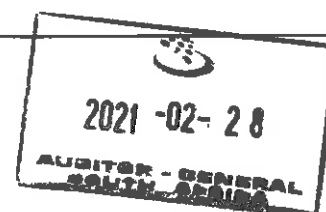
| | | |
|--|--------------------|--------------------|
| The amounts recognised in the Statement of Financial Position are - | | |
| Projected benefit obligation | 131 534 500 | 140 284 597 |
| | 131 534 500 | 140 284 597 |

The obligation in respect of past services has been estimated as follows:

| | | |
|-----------------------|--------------------|--------------------|
| Active members | 43 315 500 | 47 859 045 |
| Continuation members | 88 219 000 | 92 425 552 |
| Net obligation | 131 534 500 | 140 284 597 |

The amounts recognised in the Statement of Financial Performance are

| | | |
|---|--------------------|--------------------|
| Current service cost | 2 447 928 | 3 925 442 |
| Interest cost | 12 578 906 | 14 216 169 |
| Recognised actuarial (gains)/losses | (16 372 687) | (24 038 811) |
| Amount charged to Statement of Financial Performance | (1 345 853) | (5 897 200) |



Cape Winelands District Municipality

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13. Employee benefits (continued)

The future service cost for the ensuing financial year is estimated to be R2 618 202, whereas the interest cost for the next year is estimated to be R20 739 351.

The best estimates for the employer benefit payments in the 2020/21 financial period is expected to be R 8 542 000.

Movements in the present value of the defined benefit obligation were as follows:

| | | |
|--|--------------------|--------------------|
| Opening benefit obligation liability | 140 284 597 | 153 141 544 |
| Payments to members | (7 404 244) | (6 959 747) |
| Charge to Statement of Financial Performance | (1 345 853) | (5 897 200) |
| Closing benefit liability | 131 534 500 | 140 284 597 |

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The discount rate is calculated by using a liability-weighted average of yields for the three components of the liability. Each component's fixed-interest and index-linked yield were taken from the bond yield curve at that component's duration, using an iterative process (because the yields depend on the liability, which in turn depends on the yields).

Key actuarial assumptions

| | | |
|-----------------------|-------------|-------|
| Discount rate | Yield Curve | 9,21% |
| Health care inflation | CPI + 1.5% | 6,71% |

Sensitivity Analysis on current-service and interest cost:

| Assumption | Change | Current service cost | Interest cost | Total | % change |
|----------------------------|--------|----------------------|---------------|------------|----------|
| Central Assumptions | | 2 618 000 | 20 739 000 | 23 357 000 | |
| Health care inflation | 1 % | 3 167 000 | 23 318 000 | 26 485 000 | 13 % |
| | -1 % | 2 180 000 | 18 560 000 | 20 740 000 | -11 % |
| Post- retirement mortality | 20% | 2 426 000 | 19 277 000 | 21 703 000 | -7 % |
| | -20% | 2 849 000 | 22 542 000 | 25 391 000 | 9 % |

Sensitivity analysis on the benefit liability:

| Assumption | Change | Liability | % change |
|----------------------------|--------|-------------|----------|
| Central assumptions | | 131 534 500 | |
| Health care inflation | +1 % | 146 493 500 | +11 % |
| | -1 % | 118 800 750 | -10 % |
| Post- retirement mortality | 20% | 122 530 250 | -7 % |
| | -20% | 142 661 500 | +8 % |

History of Liabilities and Experience Adjustments

| | 30 June 2016 | 30 June 2017 | 30 June 2018 | 30 June 2019 | 30 June 2020 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| Accrued liability | 142 885 000 | 150 651 000 | 153 142 000 | 140 285 000 | 131 534 500 |
| Experience adjustment | (9 608 000) | 14 017 000 | 221 000 | (2 278 000) | - |

In terms of the memorandum of Agreement between the Western Cape Provincial Government, Department of Transport and Public Works, and the past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the Municipality. The future claim for roads staff for post employment medical aid has therefore been raised as an employee benefit asset.

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|------------------|-------------------|
| 13. Employee benefits (continued) | | |
| Employee benefit asset | | |
| Opening balance | 16 640 495 | 25 094 397 |
| Current service cost | 626 996 | 1 014 823 |
| Payment received from WCPG | (2 222 331) | (5 592 636) |
| Interest cost | 3 527 560 | 3 770 701 |
| Benefits paid | (1 932 225) | (1 692 888) |
| Interest on payments from WCPG | (1 986 312) | (1 577 296) |
| Actuarial loss / (gain) | (7 221 043) | (4 376 605) |
| | 7 433 140 | 16 640 496 |
| Reconciliation of employee benefit asset | | |
| Current asset | 2 002 682 | 2 632 167 |
| Non-current asset | 5 430 459 | 14 008 329 |
| | 7 433 141 | 16 640 496 |

The assumptions used by the actuaries to calculate the portion of the roads staff is the same as was used to calculate the amount recognised as post employment medical aid.

The amounts recognised as the current portion is equal to the amount as recognised in the valuation report for the respective financial years.

Ex-gratia benefits

The ex- gratia pensions are pensions that are paid by the Municipality from its revenue i.e. and are not funded or paid from one of the Municipality's formalised pension arrangements.

All employees who did not participate in the Municipality's formal pension funds are entitled to a Revenue Pension, which are sometimes referred to as "Ex-gratia" pensions.

Details of employees eligible for ex-gratia benefits are detailed below.

Members

| | | |
|--|---|---|
| In-service employee for ex-gratia pension | 7 | 7 |
| In-service employees eligible for lump sum benefit on retirement | 7 | 7 |
| Eligible former employees receiving ex-gratia pension | - | 1 |
| Eligible spouses receiving ex-gratia pension | - | 4 |

Average age in years

| | | |
|--|-------|-------|
| In-service employee for ex-gratia pension | 57,93 | 56,80 |
| In-service employees eligible for lump sum benefit on retirement | 57,65 | 55,10 |
| Eligible former employees receiving ex-gratia pension | - | 64,20 |
| Eligible spouses receiving ex-gratia pension | - | 77,40 |

The amount recognised in the Statement of Financial Position are:

| | | |
|------------------------------|------------------|------------------|
| Projected benefit obligation | <u>1 429 000</u> | <u>1 559 725</u> |
|------------------------------|------------------|------------------|

The amount recognised in the Statement of Financial Performance are:

| | | |
|------------------------------------|-----------------|-----------------|
| Interest cost | 141 098 | 166 217 |
| Recognised actuarial (Gain) / Loss | (203 106) | (211 440) |
| | <u>(62 008)</u> | <u>(45 223)</u> |

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

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|-----------------|------|------|
| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|

13. Employee benefits (continued)

The future service cost for the ensuing financial year is estimated to be R nil, whereas the interest cost for the next financial year is estimated to be R121 000.

The best estimates for the employer benefit payments in the 2020/21 financial period is expected to be R 12 000.

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The rate is calculated by using the implied duration of the liability to obtain an appropriate interest rate on the yield curve. The nominal and real zero curves as at 30 June 2020 supplied by the JSE to determine the discounted rates and CPI assumptions.

Movements in the present value of the defined benefit obligation were as follows:

| | | |
|-----------------------------------|------------------|------------------|
| Opening benefit obligation | 1 559 726 | 1 841 350 |
| Payments to members | (68 717) | (236 401) |
| Actuarial (Gain) / Loss | (203 106) | (211 440) |
| Interest and service cost | 141 098 | 166 217 |
| Closing benefit obligation | 1 429 001 | 1 559 726 |

Key actuarial assumptions

| | | |
|-----------------------|--------|--------|
| Discount rate | 8,51 % | 9,25 % |
| CPI inflation rate | 4,08 % | 5,26 % |
| Salary inflation rate | 5,08 % | 6,26 % |

Sensitivity analysis on the benefit obligation:

| Assumption | Change | Total Liability | % change |
|-------------------------|--------|-----------------|----------|
| Central Assumptions | | 1 425 000 | |
| Benefit Inflation rates | + 1 % | 1 517 000 | 6 % |
| | - 1 % | 1 339 000 | - 6 % |

Sensitivity analysis on the interest cost:

| Assumption | Change | Interest cost | % change |
|-------------------------|--------|---------------|----------|
| Central Assumptions | | 121 000 | |
| Benefit Inflation rates | + 1 % | 129 000 | + 7 % |
| | - 1 % | 114 000 | - 6 % |

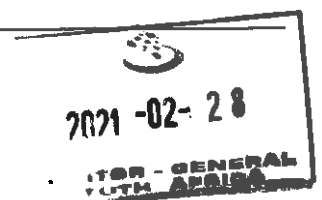
| History of Liabilities, Assets and Experience Adjustments | 30 June 2016 | 30 June 2017 | 30 June 2018 | 30 June 2019 | 30 June 2020 |
|---|--------------|--------------|--------------|--------------|--------------|
| Accrued liability | 2 425 971 | 2 275 313 | 1 841 349 | 1 559 725 | 1 429 000 |
| Experience adjustment | 372 632 | 589 506 | (238 197) | (152 346) | - |

Long service awards

The Municipality offers employees a long service award for every five years of service completed from 10 years of service to forty five years of service.

Details of employees eligible for long service awards are detailed below.

| | | |
|----------------------|-----|-----|
| Members | 416 | 401 |
| Average age in years | 47 | 47 |



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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13. Employee benefits (continued)

The amounts recognised in the Statement of Financial Position are:

| | | |
|------------------------------|------------|------------|
| Projected benefit obligation | 13 877 000 | 12 707 467 |
|------------------------------|------------|------------|

The amounts recognised in the Statement of Financial Performance are:

| | | |
|---|------------------|------------------|
| Current service cost | 812 496 | 773 500 |
| Interest cost | 965 566 | 948 265 |
| Recognised actuarial (gain) / losses | 1 030 467 | 931 850 |
| Amount charged to Statement of Financial Performance | 2 808 529 | 2 653 615 |

The future service cost for the ensuing financial year is estimated to be R852 000, whereas the interest cost for the next financial year is estimated to be R1 649 000.

The best estimates for the employer benefit payments in the 2020/21 financial period is expected to be R 2 025 000.

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

A discount rate on a yield curve has been used. The nominal and real zero curves as at 30 June 2020 supplied by the JSE was used to determine the discounted rates and CPI assumptions at each relevant time period. This methodology was followed to present a more accurate depiction of the liability.

The underlying future rate of the consumer price index (CPI inflations) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. A general earnings inflation rate equal of CPI +1% over the expected term of the liability has been assumed.

Movements in the present value of the benefit obligation were as follows:

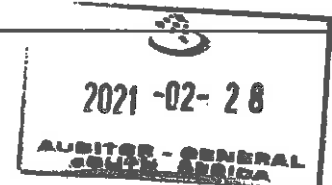
| | | |
|---|-------------------|-------------------|
| Opening benefit obligation | 12 707 467 | 12 376 146 |
| Payment to members (benefits vesting) | (1 638 996) | (2 322 294) |
| Actuarial (Gain) / Loss | 1 030 467 | 931 850 |
| Interest and service cost charged to Statement of Financial Performance | 1 778 062 | 1 721 765 |
| Closing benefit obligation | 13 877 000 | 12 707 467 |

Key actuarial assumptions

| | | |
|------------------------|-------------|-------|
| Discount rate | Yield Curve | 8,11% |
| Salary inflation | CPI +1% | 5,53% |
| Average retirement age | 62 | 62 |

| Assumptions | Change | Liability | % change |
|--------------------------|--------|------------|----------|
| Central Assumptions | | 13 877 000 | |
| General salary inflation | +1% | 14 758 000 | +6% |
| | -1% | 13 073 000 | -6% |
| Withdrawal rates | 20% | 13 437 000 | -3% |
| | -20% | 14 351 000 | 3% |

| Assumption | Change | Current service cost | Interest cost | Total | % change |
|--------------------------|--------|----------------------|---------------|-----------|----------|
| Central assumptions | | 852 000 | 1 649 000 | 2 501 000 | |
| General salary inflation | 1 % | 920 000 | 1 761 000 | 2 681 000 | 7 % |
| | -1 % | 791 000 | 1 547 000 | 2 338 000 | -7 % |
| Withdrawal rates | 20% | 809 000 | 1 593 000 | 2 402 000 | -14 % |
| | -20 % | 898 000 | 1 710 000 | 2 608 000 | 4 % |



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

| Figures in Rand | 2020 | 2019 |
|--|---------------------|---------------------|
| 13. Employee benefits (continued) | | |
| History of Liabilities and Experience Adjustments | | |
| | 30 June 2016 | 30 June 2017 |
| | 30 June 2018 | 30 June 2019 |
| | 30 June 2020 | |
| Accrued liability | 11 306 743 | 11 403 388 |
| Experience adjustment | 295 235 | 235 476 |
| | 12 376 146 | 12 707 467 |
| | 927 882 | 13 877 000 |

Retirement benefit information

The Municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

These schemes are multi employer plans and are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

a) LA Retirement Fund (Previously: Cape Joint Pension Fund)

The LA Retirement Fund operates both as a defined benefit and defined contribution scheme.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

Defined Benefit Scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2019 disclosed an actuarial valuation amounting to R1,655,893,000 (30 June 2018 : R1,776,181,000), with a nett accumulated surplus of R11,167,000 (2018 : R63,423,000), with a funding level of 100.7% (30 June 2018 : 103.7%).

Defined Contribution Scheme

The actuarial valuation report at 30 June 2019 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R1,960,090,000 (30 June 2018 : R2,018,237,000), net investment reserve of R0 (30 June 2018 : R0) and with a funding level of 100% (2018 : 100%).

The actuary concluded that :

- The Pensioner account has a funding level of 100.7% with a surplus of R11.2 million and is in a sound financial condition as at the valuation date.
- The Defined Contribution Section has a funding level of 100% and is in a sound Financial condition.
- Overall the fund is in a sound financial condition with a surplus of R11.2 million and the overall funding level of 100.3%.

It is to be noted that :

- All the active members have now all been converted to the Defined Contribution Section.
- There is no longer any contribution rate shortfall as this only applied to 29 residual Defined Benefit Section active members, that have now also converted to the Defined Contribution Section; and
- Both the Defined Contribution Section and the Defined Benefit Section were fully funded as at the valuation date.

The nature of the assets is suitable for the Fund, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this class. The assets are appropriately matched relative to the term and nature of the active member liabilities. The Fund's investment strategy is suitable. Finally the risk benefits are partially re-insured and this is appropriate for the size and nature of the Fund.

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

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13. Employee benefits (continued)

b) Consolidated Retirement Fund for Local Government (Previously: Cape Joint Retirement Fund)

The contribution rate for members is 7.5% of basic salary, whilst the respective Local Authorities are contributing 19.5%.

The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R26,128,000,000 (30 June 2017: R21,359,000,000), with funding levels of 124.9% and 100% (30 June 2017 127.3% and 100%) for the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for both 2019 & 2017. The contribution rate paid by the members (7,50%/9%) and the municipalities (7,50%/19,5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

c) The Municipal Workers Retirement Fund(Previously: SAMWU National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948,000 (30 June 2014 : R6,574,775,000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

d) The Municipal Councillors Pension Fund

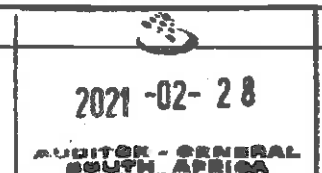
The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1,798,030,000 (30 June 2015 : R2,551,861,000), with funding levels of 103.26% (30 June 2015: 101.08%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short moratorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months.

14. Accumulated surplus

Ring-fenced internal funds within accumulated surplus - 2020

| | Capital replacement reserve | Government grant reserve | Accumulated surplus | Total |
|---|-----------------------------|--------------------------|---------------------|--------------------|
| Opening balance | 68 220 558 | 3 291 509 | 611 022 037 | 682 534 104 |
| Surplus for the year | - | - | 46 288 915 | 46 288 915 |
| Property, plant and equipment purchases | (7 436 532) | (136 237) | 7 572 769 | - |
| Intangible assets purchases | (18 000) | - | 18 000 | - |
| Transfers from/ to reserve | 10 000 000 | - | (10 000 000) | - |
| | 70 766 026 | 3 155 272 | 654 901 721 | 728 823 019 |



Cape Winelands District Municipality

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| Figures in Rand | 2020 | 2019 |
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14. Accumulated surplus (continued)

Ring- fenced internal funds within accumulated surplus - 2019

| | Capital replacement reserve | Government grant reserve | Accumulated surplus | Total |
|---|-----------------------------|--------------------------|---------------------|--------------------|
| Opening balance | 63 730 623 | 4 943 302 | 561 547 287 | 630 221 212 |
| Surplus for the year | - | - | 52 312 887 | 52 312 887 |
| Property, plant and equipment purchases | (12 482 388) | (1 416 158) | 13 898 546 | - |
| Intangible assets purchases | (27 677) | (235 635) | 263 312 | - |
| Transfers from/ to reserve | 17 000 000 | - | (17 000 000) | - |
| | 68 220 558 | 3 291 509 | 611 022 032 | 682 534 099 |

15. Service charges

| | | | |
|----------------------|--|---------|---------|
| Fire service charges | | 111 143 | 136 065 |
|----------------------|--|---------|---------|

16. Rental of facilities and equipment

| | | | |
|----------|--|---------|---------|
| Premises | | 229 975 | 248 345 |
|----------|--|---------|---------|

Future minimum lease payments due

| | Less than 1 year | Between 1 and 5 years | Over 5 years | Total |
|----------|------------------|-----------------------|--------------|---------|
| Premises | 208 696 | 208 696 | - | 417 392 |

Included in the above rentals are operating lease rentals at straight-lined amounts of Rnil (2019:Rnil) as well as contingent rentals of Rnil (2019: Rnil).

Operating lease entered into with Lessee for a period of 32 months subject to a escalation of not less than the average Consumer Price Index (CPI).

17. Roads services

| | | | |
|--|--|-------------|-------------|
| Department of Transport and Public Works | | 106 276 009 | 108 552 545 |
|--|--|-------------|-------------|

The municipality has a service level agreement with the Provincial Government Western Cape, The Department of Transport and Public Works for rendering of services regarding the roads function within the jurisdiction of the Cape Winelands District Municipality.

To align to the accounting treatment for the funding received from Department of Transport and Public Works with regards to the roads maintenance, the prior year naming convention for this funding source was changed from agency services to roads services. Both the prior year and current year naming convention is therefore consistent. This allows the users of the financial statements to have a clear understanding of the substance to this funding source.

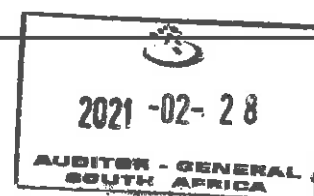
Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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|---|--------------------|--------------------|
| 18. Other income | | |
| Brokerage | 58 293 | 56 666 |
| LG SETA refund | 334 719 | 348 144 |
| Admin fee (RRAMS) | - | 134 450 |
| Municipal health income | 647 865 | 574 597 |
| Electricity income (Eerste Begin) | 3 304 | 12 531 |
| Staff Recoveries | - | 466 434 |
| Insurance income | 364 444 | 1 626 549 |
| Tender document income | 22 995 | 166 798 |
| Miscellaneous income | 76 331 | 3 160 |
| | 1 507 951 | 3 389 329 |
| 19. Investment revenue | | |
| Interest on investments | 55 405 905 | 54 293 664 |
| | 55 405 905 | 54 293 664 |
| 20. Government grants and subsidies | | |
| Operating grants | | |
| Equitable share | 2 339 000 | 2 057 000 |
| Sandhills - toilet hire | 920 077 | 836 279 |
| RSC Levy Replacement grant | 229 717 000 | 223 157 000 |
| Expanded Public Works | 1 581 000 | 1 391 000 |
| Community development workers (CDW) operational support grant | 45 113 | 77 735 |
| Local government financial management grant | 1 000 000 | 1 000 000 |
| Integrated transport planning | 812 452 | 715 606 |
| Local government support grant | 100 000 | - |
| Municipal disaster relief grant | 119 000 | - |
| Municipal systems improvement grant | 162 | - |
| Western Cape financial management support grant | 280 000 | 280 000 |
| Municipal service delivery and capacity building grant | 400 000 | - |
| Local government internship grant | 72 000 | - |
| Rural roads asset management system | - | 2 392 766 |
| Western Cape financial management capacity building grant | - | 81 281 |
| Safety initiative implementation - Whole of society approach (WOSA) | 1 770 849 | - |
| | 239 156 653 | 231 988 667 |
| Unconditional | | |
| Included in above are the following grants and subsidies received: | | |
| Equitable share | 2 339 000 | 2 057 000 |
| Rsc Levy Replacement grant | 229 717 000 | 223 157 000 |
| | 232 056 000 | 225 214 000 |
| Equitable Share | | |

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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20. Government grants and subsidies (continued)

Community development workers (CDW) operational support grant

| | | |
|---|----------|----------|
| Balance unspent at beginning of year | - | 77 735 |
| Current-year receipts | 148 000 | - |
| Conditions met - transferred to revenue | (45 113) | (77 735) |
| Refund of unspent portion | - | - |
| | 102 887 | - |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.

Integrated transport planning

| | | |
|---|-----------|-----------|
| Balance unspent at beginning of year | 892 006 | 707 612 |
| Current-year receipts | 900 000 | 900 000 |
| Conditions met - transferred to revenue | (812 452) | (715 606) |
| Refund of unspent portion | (104 304) | - |
| | 875 250 | 892 006 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services.

The funds were utilised to review and update municipal Integrated Transport Plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

Local government financial management grant

| | | |
|---|-------------|-------------|
| Balance unspent at beginning of year | - | - |
| Current-year receipts | 1 000 000 | 1 000 000 |
| Conditions met - transferred to revenue | (1 000 000) | (1 000 000) |
| Refund of unspent portion | - | - |
| | - | - |

Strategic Objective: Financial and Strategic Support Services.

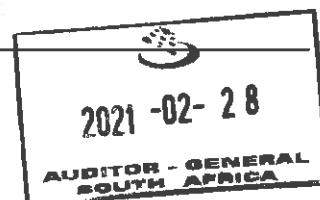
To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

This grant was mainly utilised to improve on the municipality's audit outcome, the District Maintenance Maturity Assessment and to implement National Treasury's internship programme.

Fire service capacity building grant

| | | |
|---|-----------|---|
| Balance unspent at beginning of year | - | - |
| Current-year receipts | 1 046 000 | - |
| Conditions met - transferred to revenue | - | - |
| Refund of unspent portion | - | - |
| | 1 046 000 | - |

Conditions still to be met - remain liabilities (see note 11).



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|
|-----------------|------|------|

20. Government grants and subsidies (continued)

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

Municipal performance management grant

| | | |
|---|---|-----------|
| Balance unspent at beginning of year | - | 236 100 |
| Current-year receipts | - | - |
| Conditions met - transferred to revenue | - | - |
| Refund of unspent portion | - | (236 100) |
| | - | - |

Strategic Objective: Office of the Municipal Manager.

To provide financial assistance to municipalities to ensure functional and compliant performance management systems.

Western Cape financial management support grant

| | | |
|---|-----------|-----------|
| Balance unspent at beginning of year | 895 040 | 895 040 |
| Current-year receipts | 280 000 | 480 000 |
| Conditions met - transferred to revenue | (280 000) | (280 000) |
| Refund of unspent portion | (895 040) | (200 000) |
| | - | 895 040 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services and Office of the Municipal Manager.

To provide financial assistance to municipalities to improve overall governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal outcomes and addressing institutional challenges.

The Municipality utilised the funds for mSCOA implementation and support.

Water and sanitation

| | | |
|---|--------|--------|
| Balance unspent at beginning of year | 35 560 | 35 560 |
| Current-year receipts | - | - |
| Conditions met - transferred to revenue | - | - |
| Refund of unspent portion | - | - |
| | 35 560 | 35 560 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services

No funds were utilised during the 2018/2019 and 2019/2020 financial year, but the municipality will review its masterplans in the near future.



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

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20. Government grants and subsidies (continued)

Tirelo Bosha: Public service improvement

| | | |
|---|---|-----------|
| Balance unspent at beginning of year | - | 235 369 |
| Current-year receipts | - | - |
| Conditions met - transferred to revenue | - | - |
| Refund of unspent portion | - | (235 369) |
| | - | - |

Strategic Objective: Community Development and Planning Services.

To draw up an evidence-based strategy anchored within current policy and legislative mandates, which is enhanced by situated research and social dialogue to practically address the need for improved farm worker housing, access to services and tenure security on and off-farms within the Cape Winelands District.

Sandhills-toilet hire

| | | |
|---|-----------|-----------|
| Balance unspent at beginning of year | - | - |
| Current-year receipts | 920 077 | 836 279 |
| Conditions met - transferred to revenue | (920 077) | (836 279) |
| Refund of unspent portion | - | - |
| | - | - |

Strategic Objective: Technical Services.

The subsidy is allocated to the municipality by the Department of Transport and Public Works as a refund for temporary toilets hired in Sandhills.

Expanded Public Works

| | | |
|---|-------------|-------------|
| Balance unspent at beginning of year | - | - |
| Current-year receipts | 1 581 000 | 1 391 000 |
| Conditions met - transferred to revenue | (1 581 000) | (1 391 000) |
| Refund of unspent portion | - | - |
| | - | - |

Strategic Objective: Financial Strategic and Support Services and Community Development and Planning Services.

This grant incentivises the municipality to expand job creation efforts through the use of labour intensive delivery methods in various identified focus areas, in compliance with the Expanded Public Works Programme Guidelines.

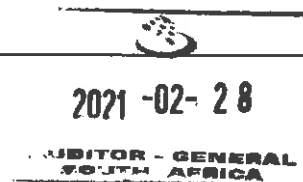
The grant contributed towards increased levels of employment in areas where unemployment is relatively high as well as providing work experience and gaining expertise through in house training.

Local government graduate internship grant

| | | |
|---|---|---------|
| Balance unspent at beginning of year | - | 1 000 |
| Current-year receipts | - | - |
| Conditions met - transferred to revenue | - | - |
| Refund of unspent portion | - | (1 000) |
| | - | - |

Strategic Objective: Financial and Strategic Support Services

This grant provide financial assistance to municipalities in support of capacity building for the future by means of a graduate internship programme.



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20. Government grants and subsidies (continued)

The aim of the grant is to address the shortage of administrative and institutional capability by providing opportunities to young unemployed graduates to gain practical workplace training, whilst assisting with capacity constraints within municipalities.

Western Cape financial management capacity building grant

| | | |
|---|-----------|----------|
| Balance unspent at beginning of year | 278 719 | 13 228 |
| Current-year receipts | 380 000 | 360 000 |
| Conditions met - transferred to revenue | - | (81 281) |
| Refund of unspent portion | (278 719) | (13 228) |
| | 380 000 | 278 719 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services

To develop financial human capacity within the municipal area to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

Rural Roads Asset Management System grant (RAMS)

| | | |
|---|-----------|-------------|
| Balance unspent at beginning of year | 296 234 | - |
| Current-year receipts | 2 849 000 | 2 689 000 |
| Conditions met - transferred to revenue | - | (2 392 766) |
| Refund of unspent portion | (296 234) | - |
| | 2 849 000 | 296 234 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services.

The purpose is to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

Municipal Service Delivery and Capacity Building Grant

| | | |
|---|-----------|---------|
| Balance unspent at beginning of year | 400 000 | - |
| Current-year receipts | - | 400 000 |
| Conditions met - transferred to revenue | (400 000) | - |
| Refund of unspent portion | - | - |
| | - | 400 000 |

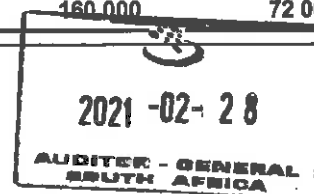
Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services

To provide financial assistance to municipalities to improve infrastructure, systems, structures, corporate governance and service delivery.

Local Government Internship Grant

| | | |
|---|----------|--------|
| Balance unspent at beginning of year | 72 000 | - |
| Current-year receipts | 160 000 | 72 000 |
| Conditions met - transferred to revenue | (72 000) | - |
| Refund of unspent portion | - | - |
| | 160 000 | 72 000 |



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20. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services

The purpose of the grant is to provide financial assistance to municipalities in support of capacity building for the future by means of an internship programme.

Safety initiative implementation - Whole of society approach (WOSA)

| | | |
|---|-------------|-----------|
| Balance unspent at beginning of year | 1 000 000 | - |
| Current-year receipts | 1 100 000 | 1 000 000 |
| Conditions met - transferred to revenue | (1 770 849) | - |
| Refund of unspent portion | - | - |
| | 329 151 | 1 000 000 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan.

Local Government Support Grant

| | | |
|---|-----------|---|
| Balance unspent at beginning of year | - | - |
| Current-year receipts | 100 000 | - |
| Conditions met - transferred to revenue | (100 000) | - |
| Refund of unspent portion | - | - |
| | - | - |

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to district municipalities to perform the administrative and monitoring role, including data management relating to humanitarian relief.

To provide financial assistance to local municipalities to augment and support current humanitarian relief initiatives.

Municipal Disaster Relief Grant

| | | |
|---|-----------|---|
| Balance unspent at beginning of year | - | - |
| Current-year receipts | 119 000 | - |
| Conditions met - transferred to revenue | (119 000) | - |
| Refund of unspent portion | - | - |
| | - | - |

Strategic Objective: Community Development and Planning Services.

To provide for the immediate release of disaster response.

Municipal systems improvement grant

| | | |
|---|-------|-----|
| Balance unspent at beginning of year | 162 | 162 |
| Current-year receipts | - | - |
| Conditions met - transferred to revenue | (162) | - |
| Refund of unspent portion | - | - |
| | - | 162 |



Cape Winelands District Municipality

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20. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services.

To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislations.

21. Public contributions and donations

Reconciliation of conditional contributions

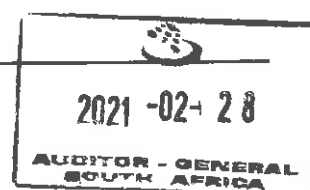
| | | |
|--------------------------------------|---------|---------|
| Balance unspent at beginning of year | 727 945 | 727 945 |
|--------------------------------------|---------|---------|

Conditions still to be met - remain liabilities (see note 11)

| | Balance unspent at beginning of year | Current year receipts | Conditions met - transferred to revenue | Balance unspent at the end of the year |
|---------------------------------|--------------------------------------|-----------------------|---|--|
| 2020 | | | | |
| Road station road Ceres | 277 831 | - | - | 277 831 |
| Upgrade of Rural Roads: De Novo | 450 114 | - | - | 450 114 |
| | 727 945 | - | - | 727 945 |
| 2019 | | | | |
| Road station road Ceres | 277 831 | - | - | 277 831 |
| Upgrade of Rural Roads: De Novo | 450 114 | - | - | 450 114 |
| | 727 945 | - | - | 727 945 |

22. Employee related costs

| | | |
|--|-------------|--------------|
| Basic | 117 515 628 | 108 785 319 |
| Bonus | 9 478 156 | 8 856 454 |
| Medical aid - company contributions | 12 044 802 | 11 487 497 |
| UIF | 764 708 | 751 215 |
| WCA | 996 071 | 880 728 |
| Leave pay provision charge | 4 263 190 | 849 051 |
| Defined contribution plans | 19 988 774 | 18 804 174 |
| Travel, motor car, accommodation, subsistence and other allowances | 12 619 986 | 12 950 799 |
| Overtime payments | 7 398 321 | 6 337 823 |
| Current service cost | 2 633 428 | 3 684 119 |
| Acting allowances | 247 763 | 197 826 |
| Actuarial loss/ (gain) | (8 324 283) | (18 941 796) |
| Housing benefits and allowances | 4 941 679 | 4 601 170 |
| Other allowances | 6 330 953 | 5 777 217 |
| Interest cost | 10 158 010 | 11 559 950 |
| Group schemes | 1 270 288 | 1 271 972 |
| Telephone | 707 970 | 634 922 |
| Performance bonus | 246 803 | 550 808 |
| | 203 282 247 | 179 039 248 |



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Figures in Rand 2020 2019

22. Employee related costs (continued)

| 2020 | Long service awards | Ex gratia | PRMA | Less: Funded asset | Total |
|--|---------------------|-----------------|--------------------|--------------------|--------------------|
| Current service cost | 812 496 | | 2 447 928 | (626 996) | 2 633 428 |
| Interest cost | 965 566 | 141 098 | 12 578 906 | (3 527 560) | 10 158 010 |
| Net actuarial (gains)/ losses recognised | 1 030 467 | (203 106) | (16 372 687) | 7 221 043 | (8 324 283) |
| | <u>2 808 529</u> | <u>(62 008)</u> | <u>(1 345 853)</u> | <u>3 066 487</u> | <u>4 467 155</u> |
| 2019 | | | | | |
| 2019 | Long service awards | Ex gratia | PRMA | Less: Funded asset | Total |
| Current service cost | 773 500 | | 3 925 442 | (1 014 823) | 3 684 119 |
| Interest cost | 948 265 | 166 217 | 14 216 169 | (3 770 701) | 11 559 950 |
| Net actuarial (gains)/ losses recognised | 931 850 | (211 440) | (24 038 811) | 4 376 605 | (18 941 796) |
| | <u>2 653 615</u> | <u>(45 223)</u> | <u>(5 897 200)</u> | <u>(408 919)</u> | <u>(3 697 727)</u> |

Remuneration of senior management

| 2020 | Basic salary | Car allowance | Performance bonuses | Contribution to UIF, medical and pension funds | Other | Total |
|---|------------------|----------------|---------------------|--|------------------|------------------|
| Municipal Manager (H. Prins) | 1 346 702 | 283 500 | 169 857 | 70 156 | 24 000 | 1 894 215 |
| Chief Financial Officer | 659 874 | 240 000 | 144 319 | 160 664 | 463 409 | 1 668 266 |
| ED: Community development and planning services (P.A. Williams) | 548 800 | 150 000 | | 15 822 | 12 000 | 726 622 |
| ED: Community development and planning services (C.V. Schroeder) | 183 340 | 29 758 | | 39 277 | 833 117 | 1 085 492 |
| Acting ED: Community development and planning services (B. Darries) | 85 166 | - | | - | 4 500 | 89 666 |
| ED: Technical services | 1 095 380 | 150 000 | 129 887 | 245 771 | 24 000 | 1 645 038 |
| | <u>3 919 262</u> | <u>853 258</u> | <u>444 063</u> | <u>531 690</u> | <u>1 361 026</u> | <u>7 109 299</u> |



Cape Winelands District Municipality

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|---|---------------------|---|
| 22. Employee related costs (continued) | | |
| 2019 | | |
| | Basic Salary | Car allowance |
| | | Performance bonuses |
| | | Contribution to UIF, medical and pension funds |
| | | Other |
| | | Total |
| Municipal Manager (M. Mgajo) | - | 14 332 |
| Municipal Manager (H. Prins) | 1 387 523 | 258 000 |
| Chief Financial Officer | 604 896 | 240 000 |
| ED: Community development and planning services (C.V. Schroeder) | 1 020 953 | 178 546 |
| Acting ED: Community development and planning services (B. Darries) | 31 745 | - |
| ED: Technical services | 1 042 074 | 140 000 |
| | <u>4 087 191</u> | <u>816 546</u> |
| | | <u>330 731</u> |
| | | <u>678 949</u> |
| | | <u>495 559</u> |
| | | <u>6 408 976</u> |

The following accrued to key management personnel in terms of GRAP 25 at year end:

Staff leave

| | | |
|--|----------------|----------------|
| Municipal Manager | 149 693 | 112 192 |
| Chief Financial Officer | 91 112 | 57 959 |
| ED: Community development and planning services (P.A. Williams) | 68 793 | - |
| ED: Community development and planning services (C.V. Schroeder) | - | 34 776 |
| ED: Technical Services | 110 669 | 52 163 |
| | <u>420 267</u> | <u>257 090</u> |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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Figures in Rand 2020 2019

23. Remuneration of councillors

| | | |
|-------------------|-------------------|-------------------|
| Executive Mayor | 1 091 397 | 1 051 128 |
| Deputy Mayor | 554 727 | 533 392 |
| Speaker | 881 997 | 849 782 |
| Other Councillors | 10 081 908 | 9 736 800 |
| | 12 610 029 | 12 171 102 |

| 2020 | Salaries | Contribution to medical and pension funds | Car allowance | Other | Total |
|-------------------|------------------|---|------------------|------------------|-------------------|
| Executive Mayor | 369 514 | 105 360 | 180 000 | 436 523 | 1 091 397 |
| Deputy Mayor | 432 026 | - | 122 701 | - | 554 727 |
| Speaker | 629 423 | 76 984 | 101 189 | 74 400 | 881 996 |
| Other Councillors | 7 368 588 | 304 267 | 1 743 054 | 666 000 | 10 081 909 |
| | 8 799 551 | 486 611 | 2 146 944 | 1 176 923 | 12 610 029 |

| 2019 | Salaries | Contribution to medical and pension funds | Car allowance | Other | Total |
|-------------------|------------------|---|------------------|------------------|-------------------|
| Executive Mayor | 347 511 | 87 095 | 180 000 | 436 523 | 1 051 129 |
| Deputy Mayor | 410 691 | - | 122 701 | - | 533 392 |
| Speaker | 601 774 | 72 419 | 101 190 | 74 400 | 849 783 |
| Other Councillors | 7 032 479 | 272 573 | 1 765 746 | 666 000 | 9 736 798 |
| | 8 392 455 | 432 087 | 2 169 637 | 1 176 923 | 12 171 102 |

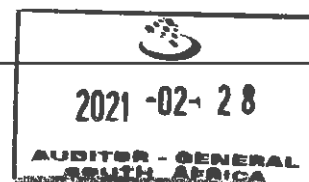
The salaries, allowances and benefits of Councillors are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

24. Depreciation and amortisation

| | | |
|-------------------------------|------------------|-------------------|
| Property, plant and equipment | 8 356 298 | 9 900 074 |
| Intangible assets | 152 053 | 246 068 |
| | 8 508 351 | 10 146 142 |

25. Debt impairment

| | | |
|--------------------------|---------------|---------------|
| Debt impairment | 231 779 | 55 718 |
| Debt impairment reversal | (181 186) | - |
| | 50 593 | 55 718 |



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

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| Figures in Rand | 2020 | 2019 |
|---|-------------------|-------------------|
| 26. General expenses | | |
| Achievements and awards | 116 477 | 259 173 |
| Advertising, publicity and marketing | 2 550 594 | 3 196 313 |
| Assets less than the capitalisation threshold | 58 083 | 139 935 |
| Bank charges, facility and card fees | 79 928 | 27 408 |
| Bargaining council | 52 574 | 49 228 |
| Bursaries (employees) | - | 31 433 |
| Communications | 3 454 895 | 4 002 205 |
| Courier and delivery services | 1 310 | 57 181 |
| Deeds | 906 | 2 915 |
| Drivers licenses and permits | 16 635 | 16 840 |
| External computer services | 6 947 822 | 7 350 975 |
| Full time union representatives | 201 581 | 165 435 |
| Hire charges | 9 062 180 | 18 458 780 |
| Insurance underwriting | 2 284 592 | 996 575 |
| Licenses | 125 166 | 125 240 |
| Municipal services | 6 192 116 | 5 916 533 |
| Parking fees | 250 | 1 250 |
| Printing and stationery | 986 079 | 1 066 805 |
| Printing, publication and books | 142 237 | 566 796 |
| Refreshments | 195 421 | 280 630 |
| Professional bodies, membership and subscription | 2 033 102 | 1 841 046 |
| Registration fees | 117 754 | 147 656 |
| Road worthy test | 14 559 | 14 756 |
| Skill development fund levy | 1 435 541 | 1 625 575 |
| Tollgate fees | 157 377 | 186 151 |
| Transport provided as part of departmental activities | 1 001 800 | 2 691 500 |
| Travel agency and visas | 2 965 | 9 756 |
| Travel and subsistence | 1 546 155 | 2 355 540 |
| Uniforms and protective clothing | 1 085 145 | 962 349 |
| Vehicle tracking | 360 412 | 163 843 |
| Wet fuel | 7 178 333 | 8 533 972 |
| Chemicals | 169 689 | 430 786 |
| Cleaning Materials | 357 021 | 121 747 |
| Materials and supplies | 23 345 417 | 23 164 461 |
| Auditors remuneration | 3 093 930 | 3 351 296 |
| Office decorations | 3 199 | - |
| Entrance fees | 28 700 | - |
| Medical expenses | - | 408 |
| Samples and Specimens | 56 | - |
| Entertainment | 16 592 | 38 322 |
| Consumables | 855 313 | 414 068 |
| | 75 271 906 | 88 764 882 |
| 27. Auditors' remuneration | | |
| Fees | 3 093 930 | 3 351 296 |

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Figures in Rand

2020

2019

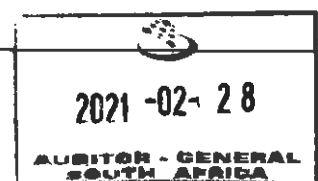
28. Prior period errors

The prior year has been amended to account for prior period errors.

Below is a summary of the total effect that the prior period errors, changes in accounting policies and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

| | Audited | Prior year error | Reclassifications | Restated |
|--|--------------------|------------------|-------------------|--------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 656 290 226 | - | - | 656 290 226 |
| Trade receivables from exchange transactions | 34 770 | - | - | 34 770 |
| Other receivables from exchange transactions | 30 004 426 | 16 806 | - | 30 021 232 |
| Receivables from non-exchange transactions | 73 254 | - | - | 73 254 |
| Inventories | 2 532 251 | - | - | 2 532 251 |
| VAT receivable | 110 626 | (110 626) | - | - |
| Employee benefit asset | 2 632 167 | - | - | 2 632 167 |
| | <u>691 677 720</u> | <u>(93 820)</u> | <u>-</u> | <u>691 583 900</u> |
| Non-Current Assets | | | | |
| Property, plant and equipment | 152 731 366 | 7 270 965 | (159 825) | 159 842 506 |
| Intangible assets | 526 592 | 474 672 | - | 1 001 264 |
| Employee benefit asset | 14 008 329 | - | - | 14 008 329 |
| | <u>167 266 287</u> | <u>7 745 637</u> | <u>(159 825)</u> | <u>174 852 099</u> |
| Non-Current Assets | 167 266 287 | 7 745 637 | (159 825) | 174 852 099 |
| Current Assets | 691 677 720 | (93 820) | - | 691 583 900 |
| Total Assets | 858 944 007 | 7 651 817 | (159 825) | 866 435 999 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Payables from exchange transactions | 4 445 146 | 112 006 | - | 4 557 152 |
| Unspent conditional grants and receipts | 4 597 666 | - | - | 4 597 666 |
| Provisions | 13 471 | - | - | 13 471 |
| Employee benefit obligation | 29 414 165 | - | - | 29 414 165 |
| VAT payable | - | 51 497 | - | 51 497 |
| | <u>38 470 448</u> | <u>163 503</u> | <u>-</u> | <u>38 633 951</u> |
| Non-Current Liabilities | | | | |
| Employee benefit obligation | 145 267 952 | - | - | 145 267 952 |
| Non-Current Liabilities | 145 267 952 | - | - | 145 267 952 |
| Current Liabilities | 38 470 448 | 163 503 | - | 38 633 951 |
| Total Liabilities | 183 738 400 | 163 503 | - | 183 901 903 |
| Assets | 858 944 007 | 7 651 817 | (159 825) | 866 435 999 |
| Liabilities | (183 738 400) | (163 503) | - | (183 901 903) |
| Net Assets | 675 205 607 | 7 488 314 | (159 825) | 682 534 096 |
| Net Assets | | | | |
| Accumulated surplus | 675 205 607 | 7 488 314 | (159 825) | 682 534 096 |



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|--|-------------------|------|
| 28. Prior period errors (continued) | | |
| 28.1 Other receivables from exchange transactions | | |
| Balance previously reported | 30 004 426 | |
| Other receivables* | 23 536 | |
| Insurance claims** | (6 730) | |
| | 30 021 232 | |

* During the 2018/2019 financial year a receivable for CC Electrical for electrical work performed was not raised. The service provider performed emergency repairs to ensure that no damage will occur.

** The receivable amounts raised in the previous financial years included the excess amounts that would have been paid to the broker should the claim be finalised.

28.2 VAT receivable

| | |
|-----------------------------|-----------|
| Balance previously reported | 110 626 |
| VAT: Admin fee | (110 626) |
| | - |

The South African Revenue Services (SARS) raised additional VAT (R131 973) and added penalties (R26 395) and interest (R3 755) for the adjustment of the VAT submission for June 2019. The adjustment related to the Administration Fee for Roads services for the period from July 2017 until June 2018. This was due to implementation challenges with mSCOA and was not included in the 2018/2019 financial year as part of the VAT Receivable/ Payable (R162 123). The credit amount led to an VAT payable and not a VAT Receivable as previously reported.

28.3 Property, plant and equipment

| | |
|---|--------------------|
| Balance previously reported | 152 731 366 |
| Cost: Assets reclassified as operational expenditure - Minor tools * | (30 383) |
| Cost - Additions: Assets reclassified as operational expenditure - Minor tools* | (18 807) |
| Accumulated Depreciation: Assets reclassified as operational expenditure - Minor tools* | 14 434 |
| Depreciation: Assets reclassified as operational expenditure - Minor tools* | 5 688 |
| Cost: Assets reclassified as operational expenditure - Fire extinguishers** | (101 811) |
| Cost- Additions: Assets reclassified as operational expenditure - Fire extinguishers** | (67 540) |
| Accumulated Depreciation: Assets reclassified as operational expenditure - Fire extinguishers** | 28 382 |
| Depreciation: Assets reclassified as operational expenditure - Fire extinguishers** | 10 212 |
| Accumulated Depreciation: Estimated useful life correction *** | 5 738 672 |
| Depreciation: Estimated useful life correction *** | 1 507 368 |
| Cost: Amendment of Zero Cost Assets**** | 73 947 |
| Accumulated Depreciation: Amendment of Zero Cost Assets**** | (46 146) |
| Depreciation: Amendment of Zero Cost Assets**** | (2 876) |
| | 159 842 506 |

* In light of the practical considerations related to the management of the minor tools, Management decided to expense minor tools and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The error impacted the closing balance of Cost for the Other PPE (R49 191), the Accumulated depreciation of Other PPE (R20 121) and the Accumulated surplus with an amount of R29 070.

** In light of the practical considerations related to the management of the fire extinguishers, Management decided to expense fire extinguishers and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The error impacted the Opening balance of Cost for the Other PPE (R101 811), the opening balance of the Accumulated depreciation (R28 382) and the opening balance of Accumulated surplus of 2018/19 financial year of R73 428. The error also impacted the cost (R67 540), depreciation (R10 212), the accumulated depreciation (R10 212) and the accumulated surplus (R67 540) for 2018/2019 financial year.

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28. Prior period errors (continued)

*** The Municipality assessed the fully depreciated assets in 2019/2020. During our assessment in the 2019/2020 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error impacted the opening balance of the Accumulated depreciation for the 2018/2019 financial year of Buildings (R760 826), Infrastructure (R5 428), Other Plant and equipment (R4 972 419) and the opening balance of Accumulated surplus of R5 738 672. The error also impacted the depreciation for 2018/2019 financial year of Buildings (-R50 031), Infrastructure (R245), Other Plant and equipment (-R1 457 582) and the surplus of the 2018/2019 financial year of R1 507 368.

**** Management identified assets with zero cost on the asset register and determined a cost for these assets. The error impacted the opening balance of the Cost for the Other PPE (R73 947), the Accumulated depreciation for Other PPE (R49 021) and the Accumulated surplus with an amount of R24 926.

Repairs and maintenance

Restatement of repairs and maintenance reconciliation 2019

| | | |
|-----------------------------|--|-------------------------------|
| | | Materials and supplies |
| Balance previously reported | | 543 419 |
| Motor vehicle | | (6 530) |
| | | 536 889 |

The repairs and maintenance sub note within note 9 was restated due to the management decision to expense fire extinguishers and not to be part of assets. Therefore it will not be included in repairs and maintenance. An amount of R6 530 was deducted and the amount is made up out of 4 transactions.

28.4 Intangible assets

| | | |
|--|--|------------------|
| Balance previously reported | | 526 592 |
| Accumulated Amortisation: Estimated useful life correction * | | 383 182 |
| Amortisation: Estimated useful life correction * | | 91 490 |
| | | 1 001 264 |

* The Municipality assessed the fully depreciated assets in 2019/2020. During our assessment in the 2019/2020 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error impacted the opening balance of Accumulated amortisation of Intangible assets with R 383 182. The error also impacted the amortisation of the 2018/2019 financial year for Intangibles (R91 490) and the Accumulated surplus of the 2018/2019 financial year of R474 672.

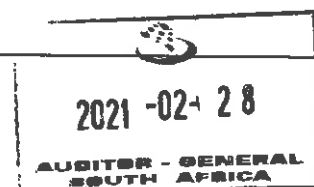
28.5 Payables from exchange transactions

| | | |
|-----------------------------|--|------------------|
| Balance previously reported | | 4 445 146 |
| Creditor Accruals * | | (589) |
| Unclaimed funds ** | | 9 |
| Creditor Accruals *** | | 112 586 |
| | | 4 557 152 |

* An amount of R589 for Langeberg Municipality was raised incorrectly in the 2018/2019 financial year as an accrual.

** A reversal error was made on the closing balance for unclaimed funds in the 2017/2018 financial year. The opening balance for the 2018/2019 financial year was incorrectly imported as R467,82 instead of R476,82.

*** Invoices were received in the 2019/2020 financial year from Liquid Telecommunications with regards to expenditure for previous financial years.



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28. Prior period errors (continued)

28.6 VAT payable

| | | |
|-----------------------------|--|--------|
| Balance previously reported | | |
| VAT: Admin Fee | | 51 497 |
| | | 51 497 |

The South African Revenue Services (SARS) raised additional VAT (R131 973) and added penalties (R26 395) and interest (R3 755) for the adjustment of the VAT submission for June 2019. The adjustment related to the Administration Fee for Roads services for the period from July 2017 until June 2018. This was due to implementation challenges with mSCOA and was not included in the 2018/2019 financial year as part of the VAT Receivable/ Payable (R162 123). The credit amount led to a VAT payable instead of a VAT Receivable as previously reported.

28.7 Capital replacement reserve

| | | |
|---|--|------------|
| Balance previously reported | | 66 482 418 |
| Property, plant and equipment purchased * | | 1 416 158 |
| Intangible assets purchased ** | | 235 635 |
| Property, plant and equipment purchased- Fire extinguishers *** | | 67 540 |
| Property, plant and equipment purchased- Minor tools*** | | 18 807 |
| | | 68 220 558 |

* The amount classified as Property, Plant and Equipment (PPE) purchased under the Capital Replacement Reserve should have been split between the funds utilised from Government Grant Reserve to purchase PPE.

** The amount classified as Intangible Assets purchased under the Capital Replacement Reserve should have been split between the funds utilised from Government Grant Reserve to purchase PPE.

*** In light of the practical considerations related to the management of the fire extinguishers, Management decided to expense fire extinguishers and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The Capital Replacement Reserve was adjusted to reflect the correct funding of the prior years.

28.8 Government grant reserve

| | | |
|---|--|-------------|
| Balance previously reported | | 4 943 302 |
| Property, plant and equipment purchased * | | (1 416 158) |
| Intangible assets purchased ** | | (235 635) |
| | | 3 291 509 |

* The amount classified as Property, Plant and Equipment (PPE) purchased under the Capital Replacement Reserve should have been split between Capital Replacement Reserve and the funds utilised from Government Grant Reserve to purchase PPE.

** The amount classified as Intangible Assets purchased under the Capital Replacement Reserve should have been split between the Capital Replacement Reserve and the funds utilised from Government Grant Reserve to purchase PPE.



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| 28. Prior period errors (continued) | | |
| 28.9 Accumulated surplus | | |
| Balance previously reported | | 675 205 607 |
| Other receivable * | | 23 536 |
| Insurance claim ** | | (6 730) |
| Municipal service *** | | 589 |
| Admin fee on Roads services **** | | (162 123) |
| Cost: Assets reclassified as operational expenditure - Minor tools ***** | | (30 383) |
| Cost - Additions: Assets reclassified as operational expenditure - Minor tools ***** | | (18 807) |
| Accumulated Depreciation: Assets reclassified as operational expenditure - Minor tools ***** | | 14 433 |
| Depreciation: Assets reclassified as operational expenditure - Minor tools ***** | | 5 688 |
| Cost: Assets reclassified as operational expenditure - Fire extinguishers ***** | | (101 811) |
| Cost- Additions: Assets reclassified as operational expenditure - Fire extinguishers ***** | | (67 540) |
| Accumulated Depreciation: Assets reclassified as operational expenditure - Fire extinguishers***** | | 28 382 |
| Depreciation: Assets reclassified as operational expenditure - Fire extinguishers ***** | | 10 212 |
| Accumulated Depreciation: PPE Estimated useful life correction ***** | | 5 738 671 |
| Depreciation: PPE Estimated useful life correction ***** | | 1 507 368 |
| Cost: Amendment of Zero Cost Assets ***** | | 73 947 |
| Accumulated Depreciation: Zero Cost Assets Adjustment ***** | | (46 146) |
| Depreciation: Amendment of Zero Cost Assets ***** | | (2 875) |
| Unclaimed funds ***** | | (9) |
| Creditor Accruals ***** | | (112 585) |
| Accumulated Amortisation: Intangibles Estimated useful life correction ***** | | 383 182 |
| Amortisation: Intangibles Estimated useful life correction ***** | | 91 490 |
| | | 682 534 096 |

* During the 2018/2019 financial year a receivable for CC Electrical for electrical work performed was not raised. The service provider performed emergency repairs to ensure that no damage will occur.

** The receivable amounts raised in the previous financial years included the excess amounts that would have been paid to the broker should the claim be finalised.

*** An amount of R589 for Langeberg Municipality was raised incorrectly in the 2018/2019 financial year as an accrual.

**** The South African Revenue Services (SARS) raised additional VAT (R131 973) and added penalties (R26 395) and interest (R3 755) for the adjustment of the VAT submission for June 2019. The adjustment related to the Administration Fee for Roads services for the period from July 2017 until June 2018. This was due to implementation challenges with mSCOA and was not included in the 2018/2019 financial year as part of the VAT Receivable/ Payable (R162 123).

***** In light of the practical considerations related to the management of the minor tools, Management decided to expense minor tools and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The error impacted the closing balance of Cost for the Other PPE (R49 191), the Accumulated depreciation of Other PPE (R20 121) and the Accumulated surplus with an amount of R29 070.

***** In light of the practical considerations related to the management of the fire extinguishers, Management decided to expense fire extinguishers and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The error impacted the Opening balance of Cost for the Other PPE (R101 811), the opening balance of the Accumulated depreciation (R28 382) and the opening balance of Accumulated surplus of 2018/19 financial year of R73 428. The error also impacted the cost (R67 540), depreciation (R10 212) and the accumulated depreciation (R10 212) and the surplus (R67 540) for 2018/2019 financial year .

***** The Municipality assessed the fully depreciated assets in 2019/2020. During our assessment in the 2019/2020 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error impacted the opening balance of the Accumulated depreciation for the 2018/2019 financial year of Buildings (R760 826), Infrastructure (R5 428), Other Plant and equipment (R4 972 419) and the opening balance of Accumulated surplus of R5 738 672. The error also impacted the depreciation for 2018/2019 financial year of Buildings (-R50 031), Infrastructure (R245), Other Plant and equipment (-R1 457 582) and the surplus of the 2018/2019 financial year of R1 507 368.

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28. Prior period errors (continued)

***** Management identified assets with zero cost on the asset register and determined a cost for these assets. The error impacted the opening balance of the Cost for the Other PPE (R73 947), the Accumulated depreciation for Other PPE (R49 021) and the Accumulated surplus with an amount of R24 926.

***** A reversal error was made on the closing balance for unclaimed funds in the 2017/2018 financial year. The opening balance for the 2018/2019 financial year incorrectly imported as R467,82 instead of R476,82.

***** Invoices were received in the 2019/2020 financial year from Liquid Telecommunications with regards to expenditure for previous financial years.

***** The Municipality assessed the fully depreciated assets in 2019/2020. During our assessment in the 2019/2020 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error impacted the opening balance of Accumulated amortisation of Intangible assets with R 383 182. The error also impacted the amortisation of the 2018/2019 financial year for Intangibles (R91 490,07) and the Accumulated surplus of the 2018/2019 financial year of R474 672.

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28. Prior period errors (continued)

Statement of Financial Performance

| | Audited | Prior year error | reclasifications | Restated |
|---|----------------------|------------------|------------------|----------------------|
| Revenue | | | | |
| Revenue from exchange transactions | | | | |
| Service charges | 136 065 | - | - | 136 065 |
| Rental of facilities and equipment | 248 345 | - | - | 248 345 |
| Roads services | 108 552 545 | - | - | 108 552 545 |
| Other income | 3 389 329 | - | - | 3 389 329 |
| Interest received - investment | 54 293 664 | - | - | 54 293 664 |
| Total revenue from exchange transactions | 166 619 948 | - | - | 166 619 948 |
| Revenue from non-exchange transactions | | | | |
| Transfer revenue | | | | |
| Government grants and subsidies | 231 988 667 | - | - | 231 988 667 |
| | 166 619 948 | - | - | 166 619 948 |
| | 231 988 667 | - | - | 231 988 667 |
| Total revenue | 398 608 615 | - | - | 398 608 615 |
| Expenditure | | | | |
| Employee related costs | (179 039 248) | - | - | (179 039 248) |
| Remuneration of councillors | (12 171 102) | - | - | (12 171 102) |
| Depreciation and amortisation | (11 758 024) | 1 595 983 | 15 899 | (10 146 142) |
| Debt impairment | (55 718) | - | - | (55 718) |
| Contracted services | (43 484 511) | - | - | (43 484 511) |
| Lease rentals on operating lease | (285 499) | - | - | (285 499) |
| Transfers and subsidies | (11 423 783) | - | - | (11 423 783) |
| General Expenses | (88 590 074) | (174 808) | - | (88 764 882) |
| Total expenditure | (346 807 959) | 1 421 175 | 15 899 | (345 370 885) |
| | - | - | - | - |
| Total revenue | 398 608 615 | - | - | 398 608 615 |
| Total expenditure | (346 807 959) | 1 421 175 | 15 899 | (345 370 885) |
| Operating surplus | 51 800 656 | 1 421 175 | 15 899 | 53 237 730 |
| Loss on disposal of assets and liabilities | (881 488) | - | - | (881 488) |
| Inventories losses/ write-downs | (43 355) | - | - | (43 355) |
| | (924 843) | - | - | (924 843) |
| Surplus for the year | 50 875 813 | 1 421 175 | 15 899 | 52 312 887 |

28.10 Depreciation and amortisation

| | |
|---|---------------------|
| Balance previously reported | (11 758 024) |
| Depreciation: Assets reclassified as operational expenditure - Minor tools* | 5 687 |
| Depreciation: Assets reclassified as operational expenditure - Fire extinguishers** | 10 212 |
| Depreciation: PPE Estimated useful life correction *** | 1 507 368 |
| Depreciation: Amendment of Zero cost assets **** | (2 875) |
| Amortisation: Intangibles Estimated useful life correction ***** | 91 490 |
| | (10 146 142) |

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28. Prior period errors (continued)

*In light of the practical considerations related to the management of the minor tools, Management decided to expense minor tools and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The error impacted the closing balance of Cost for the Other PPE (R49 191), the Accumulated depreciation of Other PPE (R25 809) and the Accumulated surplus with an amount of R29 070. The error also impacted the depreciation for 2018/2019 financial year of Other Plant and equipment with R5 687.

** In light of the practical considerations related to the management of the fire extinguishers, Management decided to expense fire extinguishers and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The error impacted the Opening balance of Cost for the Other PPE (R101 811), the opening balance of the Accumulated depreciation (R28 383) and the opening balance of Accumulated surplus of 2018/19 financial year of R73 428. The error also impacted the cost (R67 540), depreciation (R10 212) and the accumulated depreciation (R10 212) and the surplus (R67 540) for 2018/2019 financial year .

*** The Municipality assessed the fully depreciated assets in 2019/2020. During our assessment in the 2019/2020 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error also impacted the depreciation for 2018/2019 financial year of Buildings (R50 031), Infrastructure (-R245), Other Plant and equipment (R1 457 582) and Intangibles (R91 490).

**** Management identified assets with zero cost on the asset register and determined a cost for these assets. The error impacted the closing balance Cost of the Other PPE (R73 947) and the Accumulated depreciation of Other PPE (R49 021) and the Accumulated surplus with an amount of R24 926. The error also impacted the depreciation for 2018/2019 financial year of Property, Plant and equipment with -R2 875.

***** The Municipality assessed the fully depreciated assets in 2019/2020. During our assessment in the 2019/2020 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error impacted the opening balance of Accumulated amortisation of Intangible assets with R 383 182. The error also impacted the amortisation of the 2018/2019 financial year for Intangibles (R91 490) and the Accumulated surplus of the 2018/2019 financial year of R474 672.

28.11 Transfers and subsidies

| | |
|---|--------------|
| Balance previously reported | (11 423 783) |
| Farmer households * | 1 652 655 |
| Allocations in kind: Farmers households * | (1 652 655) |
| Sport and recreation * | 1 946 887 |
| Allocations in kind: Sport and recreation * | (1 946 887) |
| Community and Social Services ** | 1 500 000 |
| Support to local municipalities ** | (1 500 000) |
| | (11 423 783) |

* The transfers and subsidies are reclassified to indicate the type of allocations that was made to recipients. Farmers households received an allocation in kind to the amount of R1 652 655 and Sport and recreation recipients received R1 946 887.

** Transfers classified as Community and Social Services were reclassified as Transfers to Local municipalities 2019/2020 financial year.

28.12 General Expenses

| | |
|---|--------------|
| Balance previously reported | (88 590 074) |
| Materials and supplies * | 23 536 |
| Municipal service ** | 588 |
| Advertising, publicity and marketing *** | (112 585) |
| Assets less than the capitalisation threshold **** | (67 540) |
| Assets less than the capitalisation threshold ***** | (18 807) |
| | (88 764 882) |



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|-----------------|------|------|

28. Prior period errors (continued)

* During the 2018/2019 financial year a receivable for CC Electrical for electrical work performed was not raised. The service provider performed emergency repairs to ensure that no damage will occur.

** An amount of R588 for Langeberg Municipality was incorrectly raised in the 2018/2019 financial year as an accrual.

*** Invoices were received in the 2019/2020 financial year from Liquid Telecommunications with regards to expenditure for previous financial years.

**** In light of the practical considerations related to the management of the fire extinguishers, Management decided to expense fire extinguishers and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The error impacted the Opening balance of Cost of the Other PPE (R101 811) and the opening balance of the Accumulated depreciation (R28 383) and the opening balance of Accumulated surplus of 2018/19 financial year of R73 428. The error also impacted the cost (R67 540), depreciation (R10 212) and the accumulated depreciation (R10 212) and the surplus (R67 540) for 2018/2019 financial year.

***** In light of the practical considerations related to the management of the minor tools, Management decided to expense minor tools and will no longer capitalise these as assets. I.t.o GRAP 3 retrospective application are required for changes in accounting policies. The error impacted the closing balance of Cost for the Other PPE (R49 191), the Accumulated depreciation of Other PPE (R25 809) and the Accumulated surplus with an amount of R29 070. The error also impacted the depreciation for 2018/2019 financial year of Other Plant and equipment with R5 687.

28.13 Additional disclosure

Cash and cash equivalents (Note 3)

The Nedbank- Primary Account cash book balance for 30 June 2019 was incorrectly disclosed as R 11 317 410 instead of R 2 787 126.

Financial instruments (Note 30)

The comparative amounts that were disclosed in the 2019/2020 financial instruments disclosure note 30 were amended from the amounts disclosed in the 2018/2019 financial statements. This was due to the correction of errors as included in note 30 relating to Other receivables from exchange transactions (note 28.1) and Payables from exchange transactions (note 28.5).

29. Cash generated from operations

| | | |
|--|-------------------|-------------------|
| Surplus | 46 288 915 | 52 312 887 |
| Adjustments for: | | |
| Depreciation and amortisation | 8 508 351 | 10 146 142 |
| Loss on sale of assets and liabilities | 581 218 | 881 488 |
| Debt impairment | 50 593 | 55 718 |
| Movements in operating lease assets and accruals | - | (20 082) |
| Movements in retirement benefit assets and liabilities | 5 442 309 | (3 796 641) |
| Movements in provisions | 43 792 | (8 149) |
| Inventory write off | 35 439 | 43 355 |
| Changes in working capital: | | |
| Other receivables from exchange transactions | 3 946 035 | (4 537 139) |
| Trade Receivables from exchange transactions | (90 604) | (75 839) |
| Other receivables from non-exchange transactions | (240 276) | (3 796) |
| Payables from exchange transactions | 3 663 530 | (5 396 030) |
| VAT | (1 492 900) | 3 165 019 |
| Unspent conditional grants and receipts | 1 908 127 | 1 667 916 |
| Inventories | (392 156) | (215 713) |
| | 68 252 373 | 54 219 136 |



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30. Financial instruments

Financial risk management

The accounting policy for financial instruments were applied to the following Statement of Financial Position items:

Financial assets at amortised cost

| | | |
|--|--------------------|--------------------|
| Trade receivables from exchange transactions | 74 781 | 34 770 |
| Other receivables from exchange transactions | 23 209 097 | 26 398 805 |
| Receivables from non-exchange transactions | 313 530 | 73 254 |
| Cash and Cash equivalents | 716 992 699 | 656 290 226 |
| | 740 590 107 | 682 797 055 |

Financial liabilities at amortised cost

| | | |
|-------------------------------------|-----------|-----------|
| Payables from exchange transactions | 8 220 682 | 4 557 154 |
|-------------------------------------|-----------|-----------|

Refer to notes 3, 4, 5, 8 and 12 for additional disclosures.

Liquidity risk

The Municipality has limited exposure to liquidity risk and is able to meet its financial obligations as it falls due. The Municipality limits exposure to liquidity risk by ensuring all liabilities are cash backed.

The following are contractual maturities of financial assets and liabilities.

| At 30 June 2020 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------|
| Payables from exchange transactions | 8 220 682 | - | - | - |
| At 30 June 2019 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Payables from exchange transactions | 4 557 154 | - | - | - |

Credit risk

Credit risk consists mainly of cash and cash equivalents. The municipality only deposits cash with multiple banks, limiting exposure to any one counter-party.

The carrying amount of receivables and cash and cash equivalents represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets at amortised cost

| | | |
|--|-------------|-------------|
| Other receivables from exchange transactions | 23 209 097 | 26 398 805 |
| Trade receivables from exchange transactions | 74 781 | 34 770 |
| Cash and cash equivalents | 716 992 699 | 656 290 226 |
| Receivables from non-exchange transactions | 313 530 | 73 254 |

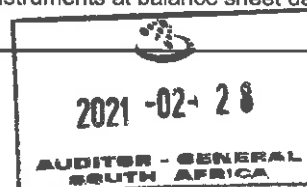
Fair Values

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the statement of financial position.

There were no changes in the Municipality's approach to financial risk management from the prior year.

Interest rate risk

The Municipality's exposure to interest rate risk and effective interest rate on financial instruments at balance sheet date are as follows:



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30. Financial instruments (continued)

The council has no outstanding loans as at 30 June 2020 (2019: R nil). The average interest rate on investments is 7.89% (2019: 8.26%). The Municipality invest with multiple banks with varying interest rates linked to the prime rate.

Market risk

It is the risk that changes in market prices, such as foreign currency exchange rates and interest rates that will affect the Municipality's projected income. The Municipality does not hold any assets that are impacted by changes in the market.

Foreign currency risk is deemed to be minimal as very few foreign currency transactions are conducted.

There were no changes in the Municipality's approach to financial risk management from the prior year.

31. Going concern

We draw attention to the fact that at 30 June 2020, the municipality had an accumulated surplus of R 728 823 012 (2019: R 682 534 095) and that the municipality's total assets exceed its total liabilities by R 728 823 012 (2019: R 682 534 095).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

With the abolishment of the Regional Services Council Levies on 30 June 2006, the Cape Winelands District Municipality is dependent on Government Grants, including the Equitable Share, for approximately 58% of the Municipality's revenue. In addition, funds received for Roads services account for a further 28%.

32. Unauthorised expenditure

Reconciliation of Unauthorised expenditure

| | | |
|---------------------------------|---|---|
| Opening balance | - | - |
| Approved by Council or condoned | - | - |
| Closing balance | - | - |

33. Fruitless and wasteful expenditure

| | | |
|--|---------------|----------------|
| Opening balance as previously reported | 69 750 | 434 551 |
| Opening balance as restated | 69 750 | 434 551 |
| Add: Fruitless and Wasteful Expenditure - current period | - | 18 662 |
| Add: Fruitless and Wasteful Expenditure - prior period | - | - |
| Add: Fruitless and Wasteful Expenditure - prior period | - | 82 971 |
| Less: Amounts recoverable - current | (69 750) | (466 434) |
| Less: Amount written off - current | - | - |
| Less: Amount written off - prior period | - | - |
| Closing balance | - | 69 750 |

Cases under investigation

a) Nil (2018/2019: 1 [one]) case(s) related to payments made in terms of a contract with a contractor for the upgrading of ablution facilities in excess of the construction work completed.

2019/2020

(i) In respect of 1 (one) case that relates to an incident identified in the 2018/2019 financial year, after an investigation in terms of MFMA Section 32, Council resolved on 25 June 2020 that the Fruitless and Wasteful Expenditure made, be recovered. As at reporting date the relevant consequence management process has been concluded.



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33. Fruitless and wasteful expenditure (continued)

2018/2019

- (i) *In respect of 1 (one) case that relates to an incident identified in the 2018/2019 financial year -*
- a) *An internal investigation has been conducted by the Internal Audit Unit of the Municipality;*
 - b) *The relevant processes in terms of the provisions of Section 32 of the MFMA to be followed;*
 - c) *Awaiting investigation by MPAC in terms of Section 32 of the MFMA to recommend to Council if irrecoverable and to be written off, alternatively to be recovered;*
 - d) *Relevant consequence management processes will commence upon receipt of final report from appointed service provider; and*
 - e) *No fraud was detected; hence no criminal proceedings have been instituted against the responsible officials involved.*

b) Nil (2018/2019: 2 [two]) cases related to payments made in terms of a contract with a consulting engineer where the maximum contractual value was charged even though the project was not fully completed and where the amounts charged, exceeded the allowable fee that is based on the sub-appointed contractor's costs.

2019/2020

- (i) *In respect of 2 (two) cases that relate to incidents identified in the 2017/2018 financial year, as at reporting date the relevant consequence management process has been concluded.*

2018/2019

- (i) *In respect of 2 (two) cases that relate to incidents identified in the 2017/2018 financial year, after an investigation by MPAC in terms of MFMA section 32, Council resolved on 29 June 2019 that the Fruitless and Wasteful Expenditure made, be recovered. The relevant consequence management processes are in progress.*

34. Irregular expenditure

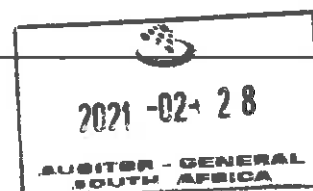
| | | |
|---|----------------|----------------|
| Opening balance as previously reported | 135 013 | 161 465 |
| Correction of prior period error (note 28) | - | 135 013 |
| Opening balance as restated | 135 013 | 296 478 |
| Add: Irregular Expenditure - current | - | - |
| Add: Irregular Expenditure - current period | - | - |
| Add: Irregular Expenditure - prior period | - | - |
| Less: Amounts recoverable - prior period | - | - |
| Less: Amount written off - prior period | (135 013) | (161 465) |
| Less: Amount written off - current | - | - |
| Closing balance | - | 135 013 |

Cases under investigation

a) Nil (2018/2019: 2 [two]) cases related to non-compliance with procurement process requirements. Goods and services were acquired without following adequate processes in terms of the Supply Chain Management Policy of the Municipality. In addition, in 1 (one) case an error was made in the application of the PPPFA Regulations.

- (i) **Supply Chain Management Policy (Local Government: Municipal Supply Chain Management Regulations) and PPPFA Regulation**

| | | |
|--|---|---------|
| Supply Chain Management Policy (Municipal Supply Chain Management Regulations) | - | 30 000 |
| PPPFA Regulations | - | 105 013 |
| | - | 135 013 |



Cape Winelands District Municipality

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34. Irregular expenditure (continued)

2019/2020

(i) In respect of 2 (two) cases that were uncorrected errors due to pending investigations in the 2017/2018 financial year, but that were corrected in 2018/2019, Council resolved after an investigation in terms of MFMA section 32, that the irregular expenditure be certified as irrecoverable and be written off. As at reporting date the relevant consequence management processes have been concluded.

(ii) In respect of 3 (three) cases that relate to incidents identified in the 2017/2018 financial year, amounting to R73 164 (included in the 2018/2019 opening balance of R161 465), it was required that consequence management be instituted against one official. As disclosed in the 2018/2019 financial year, Council resolved that the irregular expenditure be certified as irrecoverable and be written off. As at reporting date the relevant consequence management processes has been concluded.

2018/2019

(i) In respect of 2 (two) cases that were uncorrected errors due to pending investigations in the 2017/2018 financial year, but that were corrected in 2018/2019 -

- a) An internal investigation has been conducted by the Internal Audit Unit of the Municipality;
- b) The relevant processes in terms of the provisions of Section 32 of the MFMA be followed;
- c) Awaiting investigation by MPAC in terms of Section 32 of the MFMA to recommend to Council if irrecoverable and to be written off, alternatively to be recovered; and
- d) No fraud was detected; hence no criminal proceedings have been instituted against the responsible officials involved.

(ii) In respect of 3 (three) cases (amounting to R73 164 included in the 2018/2019 opening balance of R161 465) that relate to incidents identified in the 2017/2018 financial year -

- a) After an investigation by MPAC in terms of MFMA section 32, Council resolved that the irregular expenditure be certified as irrecoverable and be written off; and
- b) The relevant consequence management processes are in progress.

b) Nil (2018/2019: Nil) cases related to other non-compliance with laws, regulations, council policies and/or by-laws.

An expansion in excess of 20% was made on a contract for an appointed consulting engineer without following the process in terms of Section 116(3) of the MFMA.

(i) Local Government: Municipal Finance Management Act

Nil

Nil

2019/2020

(i) In respect of 1 (one) case that relates to an incident identified in the 2017/2018 financial year (R88 301 included in the 2018/2019 opening balance of R161 465) it was required that consequence management be instituted against three officials. As disclosed in the 2018/2019 financial year Council resolved that the irregular expenditure be certified as irrecoverable and be written off. As at reporting date two of the three consequence management processes have be concluded.

2018/2019

(i) In respect of 1 (one) case (R88 301 included in the 2018/2019 opening balance of R161 465) that relate to an incident identified in the 2017/2018 financial year, Council resolved after an investigation by MPAC in terms of MFMA section 32 that the irregular expenditure be certified as irrecoverable and be written off. The relevant consequence management processes are in progress.

35. Additional disclosure in terms of Municipal Finance Management Act

35.1 Contributions to organised local government

| | | |
|---------------------------------|-------------|-------------|
| Current year subscription / fee | 2 137 103 | 1 953 069 |
| Amount paid - current year | (2 033 102) | (1 841 046) |
| Discount received 5% (2019:5%) | (104 001) | (112 023) |
| | - | - |



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35. Additional disclosure in terms of Municipal Finance Management Act (continued)

35.2 Audit fees

| | | |
|---|-------------|-------------|
| Current year audit fee: Auditor General of South Africa | 3 093 930 | 3 351 296 |
| Current year audit fee: Audit Committee | 109 710 | 126 657 |
| Amount paid | (3 204 088) | (3 459 988) |
| | (448) | 17 965 |

35.3 PAYE, UIF and SDL

| | | |
|---------------------------------|--------------|--------------|
| Current year subscription / fee | (36 447 075) | (33 874 772) |
| Amount paid - current year | 36 447 075 | 33 874 772 |
| | - | - |

35.4 Pension and Medical Aid Deductions

| | | |
|---------------------------------|--------------|--------------|
| Current year subscription / fee | (63 642 734) | (59 989 654) |
| Amount paid - current year | 63 642 734 | 60 064 712 |
| | - | 75 058 |

Included in medical aid deductions are amounts paid in terms of post employment obligations.

35.5 VAT

| | | |
|----------------|-----------|--------|
| VAT receivable | 1 441 403 | - |
| VAT payable | - | 51 497 |
| | 1 441 403 | 51 497 |

The prior year comparative amount was restated during the 2019/2020 financial year. Details are included in note 28.2.

All VAT returns have been submitted by the due date throughout the year.

35.6 Councillors' arrear consumer accounts

During the financial year under review no Councillor was in arrears with the settlement of rates or services.

However, the following amounts are outstanding in respect of the over payment of remuneration due to the upward change in the grading of Witzenberg, Drakenstein and Langeberg Municipality, termination/resignation of councillors as well as changes in positions held on council committees.

| 30 June 2020 | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|--|--|--|------------|
| Cllr. Z.L. Gwada | - | 2 463 | 2 463 |
| Cllr. S. Ross | - | 4 387 | 4 387 |
| Cllr. S.W. Nyamana | - | 769 | 769 |
| Cllr. P. Hess | - | 43 047 | 43 047 |
| Cllr. P Heradien (resigned 10/12/2014) | - | 10 315 | 10 315 |
| Cllr. C. Mcako (resigned 29/06/2016) | - | 1 138 | 1 138 |
| Cllr. N.S. Louw | - | 3 306 | 3 306 |
| | - | 65 425 | 65 425 |

Cape Winelands District Municipality

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35. Additional disclosure in terms of Municipal Finance Management Act (continued)

In respect of the upward grading or changes in positions held on council committees (section 79 committees) of the local municipalities within the district:

The Municipality in terms of Section 167(2) of the MFMA, must and has the right to, recover remuneration paid otherwise than in accordance with the framework of the Public Office-Bearers Act, 1998 from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration. In view of the said determination, the Municipality recovered all overpayments as a result of the upward grading or positions held on council committees of its local municipalities except for the above mentioned councillors, where payment arrangements have been made.

Cllrs Heradien, Ross, Gwada (deceased) and Nyamana have been handed over for legal action to be instituted and this is currently in process. However, the nationwide lockdown delayed the commencement of any legal processes. In addition to the current payment arrangement made with Cllr Hess to recover the outstanding balance from each claim or allowance as it becomes due to the councillor, a further payment arrangement has subsequently been concluded.

In respect of resignations / terminations:

The nationwide lockdown delayed the legal action process against both Cllrs C Mcako and S Louw.

| 30 June 2019 | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|--|--|--|---------------|
| Cllr. Z.L. Gwada | - | 2 463 | 2 463 |
| Cllr. S. Ross | - | 4 387 | 4 387 |
| Cllr. S.W. Nyamana | - | 769 | 769 |
| Cllr. S.C. Rens | - | 3 139 | 3 139 |
| Cllr. P. Hess | - | 54 467 | 54 467 |
| Cllr. P Heradien (resigned 10/12/2014) | - | 10 315 | 10 315 |
| Cllr. C. Mcako (resigned 29/06/2016) | - | 1 138 | 1 138 |
| Cllr. N.S. Louw | - | 3 306 | 3 306 |
| | | 79 984 | 79 984 |

In respect of upward grading of the local municipalities within the district:

The Municipality in terms of Section 167(2) of the MFMA, must and has the right to, recover remuneration paid otherwise than in accordance with the framework of the Public Office-Bearers Act, 1998 from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration. In view of the said determination, the Municipality recovered all overpayments as a result of the upward grading of its local municipalities, except for the above mentioned councillors, where payment arrangements have been made.

Cllrs Heradien, Ross, Gwada (deceased) and Nyamana have been handed over for legal action to be instituted. Payment arrangements have been made with Cllr Rens and the outstanding balance will be recovered from each claim allowance as it becomes due to the Cllr. During February 2019 the Municipality became aware of the fact that Cllr. P. Hess was appointed as Head of a Section 79 committee at a local municipality since September 2016. A payment arrangement has been made with Cllr Hess and the outstanding balance will be recovered from each claim or allowance as it becomes due to the Councillor.

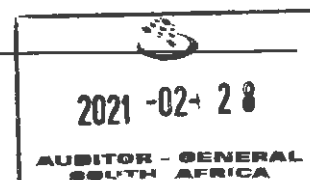
In respect of resignations / terminations:

Legal action has been instituted against both Cllrs C Mcako (Estate) and S Louw.

35.7 Particulars of non-compliance

2019/2020

Regulation 31 (1) (c) of the Municipal Budget and Reporting Regulations, 2009 stipulates that the mayor's quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52 (d) of the Act must be submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report to council. The Section 52 report was however submitted by the municipality within five working days, but Provincial Treasury argued that the five days refers to five calendar days. All subsequent Section 52 reports were however submitted within five calendar days after tabling of the report to council.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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35. Additional disclosure in terms of Municipal Finance Management Act (continued)

2018/2019

Regulation 2(3)(a) of the Municipal Supply Chain Management Regulations, 2005 stipulates that no municipality may act otherwise than in accordance with its supply chain management policy when procuring goods or services. Goods or services were acquired without following adequate procurement processes. Matters that was detected during the 2017/2018 audit was investigated in the 2018/2019 financial year and subsequently dealt with as a prior period adjustment. (Amounts disclosed are inclusive of VAT).

35.8 Intergovernmental allocations

Section 123 of the MFMA determines that the municipality must disclose information on any allocations made by the municipality to another municipality. The following allocations were made to local municipalities within the CWDM for projects as identified by the respective local municipality in terms of service level agreements:

Intergovernmental allocations made to another municipality

| | | |
|----------------------------|-------------------|------------------|
| Breede Valley Municipality | 2 600 000 | 500 000 |
| Drakenstein Municipality | 2 894 801 | - |
| Langeberg Municipality | 1 431 200 | 500 000 |
| Stellenbosch Municipality | 2 502 667 | - |
| Witzenberg Municipality | 3 051 973 | 500 000 |
| | <u>12 480 641</u> | <u>1 500 000</u> |

36. Reconciliation between budget and annual financial statements

Reconciliation of variances between budget statement and the final approved budget.

| | | |
|---|----------------|----------|
| Service charges (Amount as per budget schedule) | - | - |
| Service charges | 200 000 | - |
| Amount as per final approved budget | <u>200 000</u> | <u>-</u> |

Service charges was remapped from Other revenue to adhere to the standards of GRAP.

| | | |
|---|--------------------|----------|
| Agency Services (Amount as per budget schedule) | 125 329 000 | - |
| Roads Capital | 195 743 | - |
| Management Fees | (14 236 800) | - |
| Management Fees | 14 236 800 | - |
| Amount as per final approved budget | <u>125 524 743</u> | <u>-</u> |

The capital financing for Roads services was remapped from Transfers and subsidies to Roads services. Management fees was remapped to Roads services to adhere to the standards of GRAP.

To align to the accounting treatment for the funding received from Department of Transport and Public Works with regards to the roads maintenance, the prior year naming convention for this funding source was changed from agency services to roads services. Both the prior year and current year naming convention is therefor consistent. This allows the users of the financial statements to have a clear understanding of the substance to this funding source.

| | | |
|--|-----------|----------|
| Licenses and permits (Amount as per budget schedule) | 290 000 | - |
| Licenses and permits | (290 000) | - |
| Amount as per final approved budget | <u>-</u> | <u>-</u> |

Licences and permits were remapped to Other revenue to adhere to the standards of GRAP.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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36. Reconciliation between budget and annual financial statements (continued)

| | | |
|---|--------------------|----------|
| Transfers and subsidies (Amount as per budget schedule) | 245 388 446 | - |
| Public Sector SETA | (289 000) | - |
| Roads Capital | (195 743) | - |
| Amount as per final approved budget | 244 903 703 | - |

SETA refunds was remapped from Transfers and subsidies to Other revenue to adhere to the standards of GRAP. The capital financing for Roads was remapped to Roads services to adhere to the standards of GRAP.

| | | |
|---|------------------|----------|
| Other revenue (Amount as per budget schedule) | 15 811 790 | - |
| Management fees | (14 236 800) | - |
| Service charges | (200 000) | - |
| Public Sector SETA | 289 000 | - |
| Advertisements | (50 000) | - |
| Licenses and permits | 290 000 | - |
| Transport fees | (40 000) | - |
| Amount as per final approved budget | 1 863 990 | - |

Other revenue was remapped to adhere to the standards of GRAP.

| | | |
|--|---------------|----------|
| Inventories losses (Amount as per budget schedule) | - | - |
| Transfer to Inventories losses | 35 500 | - |
| Amount as per final approved budget | 35 500 | - |

Provision was made for Inventories losses at year end.

| | | |
|--|--------------------|----------|
| Employee related costs (Amount as per budget schedule) | 225 156 030 | - |
| Workmen's compensation fund | 1 144 343 | - |
| Transfers to Employee related costs | 329 787 | - |
| Amount as per final approved budget | 226 630 160 | - |

Workmen's compensation fund was remapped from General expenses to Employee related cost to adhere to standards of GRAP.

| | | |
|---|-------------------|----------|
| Depreciation and amortisation (Amount as per budget schedule) | 11 941 842 | - |
| Transfers from other expenditure items | 34 690 | - |
| Amount as per final approved budget | 11 976 532 | - |

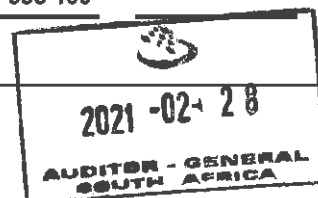
Provision was made for additional depreciation.

| | | |
|---|----------------|----------|
| Debt impairment (Amount as per budget schedule) | 1 018 100 | - |
| Bad debt written off | (998 100) | - |
| Transfer to Impairment loss | 213 150 | - |
| Amount as per final approved budget | 233 150 | - |

Debt impairment was remapped to Bad debt written off to adhere to the standards of GRAP and provision was made for impairment loss.

| | | |
|--|----------------|----------|
| Bad debt written off (Amount as per budget schedule) | - | - |
| Bad debt written off | 998 100 | - |
| Amount as per final approved budget | 998 100 | - |

Bad debt written off was remapped to adhered to the standards of GRAP.



Cape Winelands District Municipality
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| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|
|-----------------|------|------|

36. Reconciliation between budget and annual financial statements (continued)

| | | |
|--|------------------|----------|
| Lease rentals on operating lease (Amount as per budget schedule) | - | - |
| Lease rentals on operating lease | 1 025 000 | - |
| Amount as per final approved budget | 1 025 000 | - |

Lease rentals on operating lease was remapped from General expenses to adhere to the standards of GRAP.

| | | |
|---|-------------------|----------|
| Transfers and subsidies (Amount as per budget schedule) | 20 617 637 | - |
| Transfers to Transfers and subsidies | 254 210 | - |
| Amount as per final approved budget | 20 871 847 | - |

Transfers were made to Transfers and subsidies to correct expenditure recorded against the incorrect expenditure categories.

| | | |
|---|-------------------|----------|
| Contracted services (Amount as per budget schedule) | 52 141 971 | - |
| Transfers to and from Contracted services | 86 362 | - |
| Amount as per final approved budget | 52 228 333 | - |

Transfers to contracted services was necessary to allocate items against correct expenditure categories according to GRAP.

| | | |
|---|--------------|----------|
| Other materials (Amount as per budget schedule) | 36 366 228 | - |
| Transfers to and from Other materials | (849 602) | - |
| General expenses | (35 516 626) | - |
| Amount as per final approved budget | - | - |

Other materials were remapped to General expenses to adhere to the standards of GRAP.

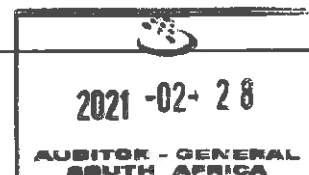
| | | |
|--|-------------------|----------|
| General Expenses (Amount as per budget schedule) | 75 550 426 | - |
| Advertisements | (50 000) | - |
| Transport fees | (40 000) | - |
| Workmen's compensation fund | (1 144 343) | - |
| Lease rental on operating leases | (1 025 000) | - |
| Other materials | 36 366 228 | - |
| Management fees | (14 236 800) | - |
| Transfers from general expenses | (1 593 008) | - |
| Amount as per final approved budget | 93 827 503 | - |

Advertisements and Transport fees were remapped from Other Revenue to General expenses to adhere to the standards of GRAP. Workmen's compensation fund was remapped from General expenses to Employee related cost to adhere to the standards of GRAP. Lease rentals on operating lease was remapped from general expenses to adhere to the standards of GRAP. Other Materials was remapped to General expenditure to adhere to the standards of GRAP. Management fees was remapped from General expenses to Roads services.

| | | |
|--|----------------|----------|
| Loss on disposal of assets and liabilities (Amount as per budget schedule) | 196 610 | - |
| Transfers to Loss on disposal of assets | 639 309 | - |
| Amount as per final approved budget | 835 919 | - |

Transfers were made to Loss on disposal of property, plant and equipment to make provision for disposal of assets at year end.

36.2 Statement of financial position



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

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|-----------------|------|------|
| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|

36. Reconciliation between budget and annual financial statements (continued)

| | | |
|---|------------------|---|
| Trade and other payables from exchange transactions (Amount as per budget schedule) | 9 841 714 | - |
| Unspent conditional grants | (5 697 088) | - |
| Vat payable | (105 873) | - |
| Amount as per final approved budget | 4 038 753 | - |

Unspent conditional grants and VAT Payable was remapped to adhere to the standards of GRAP.

| | | |
|--|------------------|---|
| Unspent Conditional Grants (Amount as per budget schedule) | - | - |
| Unspent conditional grants | 5 697 088 | - |
| Amount as per final approved budget | 5 697 088 | - |

Unspent conditional grants was remapped from trade and other payables to adhere to the standards of GRAP.

36.3 Cashflow statement

| | | |
|---|---------------|---|
| Suppliers and Employees (Amount as per budget schedule) | 384 472 140 | - |
| Employee cost | (207 090 789) | - |
| Suppliers | (184 496 262) | - |
| Remuneration to councillors | (13 322 726) | - |
| Transfers and grants | 20 437 637 | - |
| Amount as per final approved budget | - | - |

Employee cost (Amount as per budget schedule)
Employee cost

| | | |
|--|-------------|---|
| | 207 090 789 | - |
| | 207 090 789 | - |

Employee cost was remapped from Suppliers and employees to adhere to the standards of GRAP.

| | | |
|---|------------|---|
| Remuneration to councillors (Amount as per budget schedule) | - | - |
| Remuneration to councillors | 13 322 726 | - |
| Amount as per final approved budget | 13 322 726 | - |

Remuneration of councillors was remapped from Suppliers and employees to adhere to the standards of GRAP.

| | | |
|--|--------------|---|
| Transfers and grants (Amount as per budget schedule) | 20 437 637 | - |
| Transfers and grants | (20 437 637) | - |
| Amount as per final approved budget | - | - |

Transfers and grants was remapped to Suppliers adhere to the standards of GRAP.



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

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37. Disclosures in terms of the Municipal Supply Chain Management Regulations, 2005

37.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b).

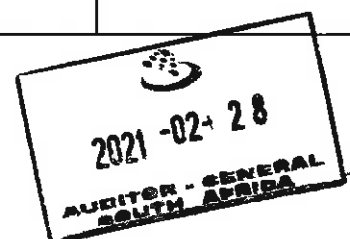
| 2020 | Total Value (incl. VAT) | Emergency | Sole Supplier/ Agent | Impractical |
|-------------|------------------------------------|------------------|---------------------------------|--------------------|
| July | 191 339 | - | 2 | 7 |
| August | 2 793 915 | - | 3 | 9 |
| September | 140 425 | - | 6 | 6 |
| October | 219 879 | - | 3 | 9 |
| November | 188 966 | - | 1 | 11 |
| December | 105 509 | - | - | 7 |
| January | 206 393 | - | 3 | 4 |
| February | 1 746 399 | 2 | 4 | 7 |
| March | 2 499 328 | 12 | - | 9 |
| April | 1 080 016 | 7 | - | 3 |
| May | 442 888 | 6 | - | 4 |
| June | 560 463 | 1 | - | 9 |
| | 10 175 520 | 28 | 22 | 85 |
| 2019 | Total Value (incl. VAT) | Emergency | Sole Supplier/ Agent | Impractical |
| July | 2 379 106 | - | - | 15 |
| August | 309 888 | - | 5 | 20 |
| September | 919 257 | - | 3 | 33 |
| October | 711 386 | - | 8 | 37 |
| November | 401 193 | - | 2 | 27 |
| December | 1 952 189 | - | 5 | 23 |
| January | 103 763 | - | - | 15 |
| February | 143 632 | - | 2 | 13 |
| March | 88 417 | - | 1 | 12 |
| April | 94 277 | - | 2 | 8 |
| May | 328 879 | - | 5 | 6 |
| June | 509 645 | - | 7 | 26 |
| | 7 941 632 | - | 40 | 235 |

2021-02-28
AUDITOR - GENERAL
SOUTH AFRICA

37.2 Regulation 45 - Particulars of awards of more than R2000 to a person who is a spouse, child or parent of a person in 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 | 2020 R | 2019 R |
|--|-----------------|-----------------------|--|--|---------|-----------|
| AE Human T/A Astra Catering | Child | L Burger | Cape Winelands District Municipality | Enviromental Health Practitioner | - | 5 445 |
| AE Human Trading (Pty) Ltd | Child | L Burger | Cape Winelands District Municipality | Enviromental Health Practitioner | 63 400 | 208 601 |
| M & N Bakwerkwe Close Corporation | Brother/ Sister | E Niemand | Cape Winelands District Municipality | Senior Administrator: Quotations & Tenders | 43 872 | 30 654 |
| America Busdiens | Child | V Africa | Cape Winelands District Municipality | Workshop Assistant-Robertson | 15 900 | 15 450 |
| Price Catering and Cleaning (Pty) Ltd | Child | C Price | Cape Winelands District Municipality | Student: Information & Communication Technology | - | 204 320 |
| NCC Environmental Services Proprietary Limited | Spouse | C Rhoda | City of Cape Town | Head of Invasive Species: Biodiversity Centre, West Lake | 795 915 | 779 269 |
| Masiqhame Trading 77 Close Corporation | Child | B Qxilishe | Department of Agriculture | Snr Admin officer: Dept of Agriculture, Forestry & Fisheries | 117 647 | 103 058 |
| | Child | S Qxilishe | Western Cape Education Department | Teacher at Du Noon | | |
| SMEC South Africa Proprietary Limited | Spouse | Y Phosa | Department of Economic Development and Tourism | MEC : Economic Development | - | 1 110 228 |
| J Walters t/a J C Travel | Spouse | C Walters | Department of Education | Secretary at School | 10 500 | 27 300 |
| Piston Power Chemicals Close Corporation | Spouse | N Andhee | Department of Education | Teacher | 250 572 | 344 460 |
| Robertson Shell Trust | Spouse | D B Augustyn | Department of Education | Teacher at Dagbreek Primary | 54 638 | 80 848 |

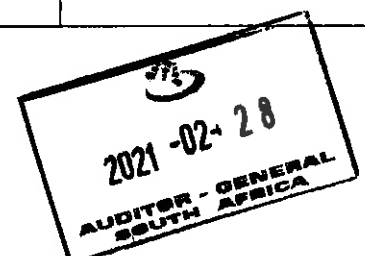
| Supplier | Relationship | Name of Family Member | Name of Institution | Capacity | 2020 | 2019 |
|--|--------------|-----------------------|--|--|---------|-----------|
| Pietersen and Burns Investments t/a Kings Catering | Sister | T September | Department of Health | Ass. Director: Fin SCM: Admissions Info Management | - | 18 491 |
| Temmo's Shade Ports and Cleaning Services | Sister | T Lebesana | Transnet Port Terminals | AJEEE | - | 318 441 |
| Sms ICT Choice Proprietary Limited | Spouse | N Maqula | Department of Human Settlements | Director | 167 525 | 167 525 |
| Ajee Consultancy Close Corporation | Spouse | J Williams | SAPS | Captain | 10 000 | 65 495 |
| Belani Consultancy Agencies (Pty) Ltd | Parent | N Mbovu | SAPS | Admin Clerk | | 30 000 |
| Jah Guide Agriculture Proprietary Limited | Spouse | G Davids | SAPS | Sergeant | 649 104 | 1 034 160 |
| Nareng Tranding (Pty) Ltd | Spouse | M Lebaea | Department of Correctional Services | Security | 16 065 | |
| Cook Funerals (Pty) Ltd | Child | C Cook | City of Cape Town | Director | 14 250 | |
| Ladybugs Innovative Marketing (Pty) Ltd | Spouse | RA Levendal | Department of Correctional Services | Environmental Health Practitioner | 106 500 | 164 438 |
| Supplier | Relationship | Name of Family Member | Name of Institution | Capacity | 2020 | 2019 |
| Aurecon South Africa Proprietary Limited | | | | | 702 386 | 88 301 |
| | Spouse | Ahlschlager, HC | Special Investigating Unit | Legal Representative | | |
| | Parent | Barry, CJ | City of cape Town | Head: Finance | | |
| | Parent | KA Bleazard | Western Cape Government Transport & Public Works | Chief Architect | | |



| Supplier | Relationship | Name of Family Member | Name of Institution | Capacity | 2020 R | 2019 R |
|----------|--------------|-----------------------|--|--|--------|--------|
| | Parent | Botha, T | Oudtshoorn Municipality | Technical Manager | | |
| | Spouse | Erasmus, WZ | Cape Nature | Program Manager | | |
| | Parent | Esterhuysen, HG | West coast District Municipality | Senior Manager - Roads | | |
| | Son | Geldenhuis, N | Transnet Port Terminals | Mechatronic Engineer | | |
| | Sister | Goga, Y Dr | Nkosi Albert Luthuli Hospital | Senior Specialist - Paediatric Haematology | | |
| | Daughter | Govender, T | Umgeni Water/Asset Management | Fleet Maintenance Administrator | | |
| | Parent | Grobbelaar, SM | Northern Cape Department of cooperative Governance | Town and Regional Planner | | |
| | Brother | Herholdt, E | Limpopo Department of Economic Development Environment & Tourism | Manager | | |
| | Parent | Heyns, A | Stellenbosch Municipality | Assistant Superintendent | | |
| | Spouse | Higgs, JH | SARS | Regional Manager | | |
| | Spouse | Hougaard, A | Department of Correctional Services | Principle Network controller | | |
| | Spouse | Jacobs, J | Eastern Cape Department of Education | Personal Assistant to Chief Director | | |
| | Parent | Kleynhans, B | Hessequa Municipality | Accountant | | |
| | Parent | Kriegler, BJ Cr | Cape Winelands District & Breede Valley Municipality | Councillor | | |
| | Spouse | Marques, M | Department of Home Affairs | Deputy Director | | |

| Supplier | Relationship | Name of Family Member | Name of Institution | Capacity | 2020 R | 2019 R |
|----------|--------------|-----------------------|--|--|--------|--------|
| | Uncle | Mayekiso, D | Department of Local Government and Traditional Affairs | Official | | |
| | Employee | Mayekiso, M | Buffalo City Metropolitan Municipality | Aurecon employee (resigned 31 December 2014) | | |
| | Parent | Mehlala, RT | Eastern Cape Arts and Culture Council | Chief Executive Officer | | |
| | Parent | Moore, AJ | Department of Water Affairs | Chief Engineer | | |
| | Spouse | Nadasen K | National Department of Public Works | Director: Key Account Management | | |
| | Spouse | Ntsebeza, D | Buffalo City Metropolitan Municipality | Official | | |
| | Cousin | Ntsebeza, M | Intsika Yethu Municipality | Official | | |
| | Parent | Ntsebeza, NH | Eastern Cape Department of Health | Official | | |
| | Spouse | O'Connell, SM | Sol Plaatje Municipality | Librarian | | |
| | Spouse | PW Pansegrouw | Drakentein Municipality | Senior Manager - Technical Services and Project Management | | |
| | Parent | Pretorius, PS | Sol Plaatje Municipality | Chief Officer - Community Services | | |
| | Spouse | R Reddy-Maduray | Development Bank SA | Project Preparation Specialist | | |
| | Spouse | Riekert, JH | SA Reserve Bank | Engineering | | |
| | Parent | Robertson, JM | Ekurhuleni Metropolitan Municipality | Roads Engineer | | |
| | Sister | Seegers, S | City of Cape Town | Head of Security Architecture | | |
| | Wife | Skead, M Dr | Nelson Mandela Bay Metropolitan University | Senior Manager Staff Development | | |

| Supplier | Relationship | Name of Family Member | Name of Institution | Capacity | 2020 R | 2019 R |
|--------------------------|----------------|-----------------------|--|--|-----------|---------|
| | Parent | Tebane, R | Ekurhuleni Metropolitan Municipality | Executive Manager | | |
| | Spouse | Theron, J | Nelson Mandela Metropolitan University Business School | Head: Graduate School Relations | | |
| | Spouse | Tredoux, J | Department of Water Affairs | Deputy Director - Accounts Payable | | |
| | Father-in-Law | Van Rensburg, M | Eskom | Executive at Transmission Department | | |
| | Father | Van Taak, AN | Stellenbosch Municipality | Director - Water and Sewerage | | |
| | Spouse | Venter, ZC | Eastern Cape Department of Health | Deputy Director - Employment Relations | | |
| | Parent | Vermeulen, PC | City of Cape Town | Superintendent-Building Maintenance | | |
| | Parent | Wilkins, J | Correctional Services | Vice Director - Provincial | | |
| | Spouse | Wolmarans, NS | IDC | Senior Accounts Manager | | |
| Gibb Proprietary Limited | | | | | 1 114 350 | 363 400 |
| | Brother | David Moffett | Department of Rural Development and Land Reform | Director: Spatial Planning & Land Use Management | | |
| | Spouse | Alan Moon | City of Cape Town | Head: Business Continuity | | |
| | Brother-in-law | John Watson | National Treasury - Office of Accountant General | Director - Accounting Support and Reporting | | |
| | Spouse | Sonnika Cilliers | Department of Education | Teacher | | |
| | Aunt | Fawzia Peer | Ethekwini Municipality | Deputy Mayor, Chair of Finance and Procurement | | |



| Supplier | Relationship | Name of Family Member | Name of Institution | Capacity | 2020 R | 2019 R |
|----------|----------------|-------------------------|---|---|--------|--------|
| | Spouse | Nokuthula Mkhize | National Department of Water Affairs and Forestry | Accounting Clerk | | |
| | Mother | Irma Brink | Department of Education — Free State | Teacher | | |
| | Spouse | Nkosinathi Mzayiya | Department of Correctional Services | Correctional Officer | | |
| | Spouse | Jacqueline Gooch | Department of Transport and Public Works | Head of Department | | |
| | Spouse | Unathi Lekonyana | Department of National Treasury | Deputy Director - Grant Monitoring and Analysis | | |
| | Parent | Douglas Kiewiet | Department of Water Affairs and Forestry | Area Manager (North) | | |
| | Spouse | Rajiv Beharie | Eskom | Senior Engineer | | |
| | Brother | Funanani Freeman Phidza | Economic Development | Director ICT | | |
| | Brother | Rendani Phidza | Sports and Recreation | Senior Control Officer | | |
| | Sister | Nokuzola Mandla | Eastern Cape Department of Human Settlements | Control Works Inspector | | |
| | Spouse | Conrad Hering | Department of Transport and Public Works | Electrical Engineer | | |
| | Sister-in-law | Dolencia Davids | City of Cape Town | Admin Officer | | |
| | Brother-in-law | Hilton Davids | City of Cape Town | Admin Officer | | |
| | Mother | Sandra Singh | Department of Education | Human Resource Officer | | |
| | Brother | Ian Bowker | Department of Asset Management and Maintenance In Transport | Head of Department | | |
| | Spouse | Dianne Alderman | Eastern Cape Department of Education | Teacher | | |

| Supplier | Relationship | Name of Family Member | Name of Institution | Capacity | 2020 R | 2019 R |
|----------|----------------|-------------------------------|---|--------------------------------------|--------|--------|
| | Aunt | F Strampe | SAPS | Chief Accounting Clerk | | |
| | Spouse | Thando Gqobo | Ethekwini Municipality | Civil Engineering Technician | | |
| | Husband | Donovan O'Reilly | SAPS | Warrant Officer | | |
| | Spouse | Siyamthanda Jafta | Eastern Cape Department of Transport | Assistant Manager - Asset Management | | |
| | Spouse | Vuyokazi Sicwebu | Ndlambe Municipality | PMU Manager | | |
| | Spouse | Liezel Sophia Cloete | Department of Higher Education and Training | Lecturer | | |
| | Cousin | Phumlani Ngcamu | Ethekwini Municipality | Senior Civil Technician | | |
| | Spouse | Londani Mkhumbuzi | KwaDukuza Municipality | Senior Rates Clerk | | |
| | Sister | Yvette Joubert | Western Cape Education Department | Teacher | | |
| | Brother | Heinrich Rudiger Jaskolka | Department of Justice | Magistrate | | |
| | Sister | Gerda Yvette Magnus | Department of Higher Education and Training | Acting Deputy Director General | | |
| | Sister | Thendo Phidza | Eskom Rotek Industries | Junior Service Engineer | | |
| | Brother-in-law | Herbert Humbulani Netshikweta | Depart of Minerals Resource | Senior Inspector | | |
| | Sister-in-law | Teboho Victoria Kabi | Eskom Generation | Senior Technician | | |
| | Spouse | K Naidoo | Gauteng Department of Education | Head of Department Mathematics | | |
| | Brother | M B Haq | City Engineers | Architect/Town Planner | | |

4 132 625

5 159 881



Cape Winelands District Municipality
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38. Provisions

Reconciliation of provisions - 2020

| | Opening Balance | Additions | Utilised during the year | Total |
|------------------------------|--------------------|-----------|--------------------------------|--------|
| Provision (Insurance claims) | 13 471 | 57 263 | (13 471) | 57 263 |

Reconciliation of provisions - 2019

| | Opening Balance | Additions | Utilised during the year | Total |
|------------------------------|--------------------|-----------|--------------------------------|--------|
| Provision (Insurance claims) | 21 620 | 13 471 | (21 620) | 13 471 |

The provision relates to insurance claims, which were not finalised at year end, but was finalised before the financial statements was authorised for issue.

39. VAT payable

VAT

- 51 497

40. Transfers and subsidies

Grants in aid

| | | | | |
|-------------------------------|--|----------------|--|------------------|
| Community and Social Services | | | | |
| Farmer households | | 61 608 | | |
| Social relief | | 153 180 | | 1 652 655 |
| Sport and recreation | | 254 210 | | |
| | | 418 790 | | 1 946 887 |
| | | <u>887 788</u> | | <u>3 599 542</u> |

Monetary allocation

| | | | | |
|---------------------------------|--|-------------------|--|-------------------|
| Fire services | | | | |
| Farmer households | | 250 000 | | 250 000 |
| Community and social services | | 1 148 000 | | 1 416 000 |
| Bursaries | | 680 000 | | 751 000 |
| Social relief | | - | | 81 281 |
| Tourism | | 358 397 | | 400 000 |
| Sport and recreation | | 1 887 803 | | 2 376 000 |
| Support to Local Municipalities | | 1 345 283 | | 1 049 960 |
| | | 12 280 641 | | 1 500 000 |
| | | <u>17 950 124</u> | | <u>7 824 241</u> |
| | | <u>18 837 912</u> | | <u>11 423 783</u> |

41. Contracted services

Outsourced Services

| | | | | |
|-------------------------------------|--|-----------|--|-----------|
| Alien Vegetation Control | | 1 030 052 | | 2 342 260 |
| Burial Services | | 14 250 | | 9 000 |
| Business and Advisory | | 686 698 | | 2 487 478 |
| Cleaning Services | | 176 366 | | 439 330 |
| Clearing and Grass Cutting Services | | 168 387 | | 1 876 315 |
| Hygiene Services | | 1 062 285 | | 946 308 |
| Professional Staff | | 946 965 | | 1 616 973 |
| Security Services | | 2 971 552 | | 3 016 526 |
| Translators, Scribes and Editors | | 309 239 | | 438 613 |
| Traffic control | | 193 444 | | |

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Financial Statements for the year ended 30 June 2020

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| | 2020 | 2019 |
|--|-------------------|-------------------|
| 41. Contracted services (continued) | | |
| Consultants and Professional Services | 6 066 629 | 3 976 800 |
| Business and advisory | 19 273 | 1 924 806 |
| Infrastructure and planning | 1 888 489 | 1 601 585 |
| Laboratory services | 210 187 | 158 984 |
| Legal cost | | |
| Contractors | | |
| Artists and Performers | 254 950 | 338 140 |
| Audio-visual Services | 16 000 | 35 600 |
| Catering Services | 789 231 | 2 021 176 |
| Employee Wellness | 18 600 | 173 850 |
| First Aid | - | 22 558 |
| Fire Services | 15 947 157 | 13 808 534 |
| Gardening Services | - | 48 896 |
| Graphic Designers | 2 700 | 16 235 |
| Maintenance of Buildings, Facilities, Equipment and Unspecified Assets | 3 914 092 | 6 017 457 |
| Medical Services | 739 | - |
| Pest Control and Fumigation | 16 580 | 15 180 |
| Photographer | 3 500 | 5 050 |
| Plants, Flowers and Other Decorations | 2 300 | 39 367 |
| Transportation | - | 5 840 |
| Stage and Sound Crew | 50 830 | 101 650 |
| Exhibit Installations | 26 984 | - |
| Outsourced Services | 7 559 238 | 13 172 803 |
| Consultants and Professional Services | 8 184 578 | 7 662 175 |
| Contractors | 21 043 663 | 22 649 533 |
| | 36 787 479 | 43 484 511 |

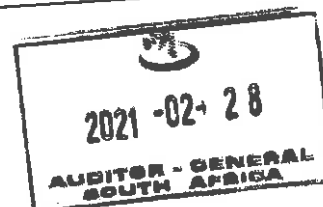
42. Contingencies

42.1 Contingent liabilities

(i) 2020: 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, remains the same as reported on the previous year. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the Municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2019: The status of the delictual claim for damages in the amount of R451 000 remains the same as reported on the previous year. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the Municipality is reduced to approximately R100 000. The said process is currently pending.)

(ii) 2020: The status of the claim remains the same as reported on in the previous year that the parties are currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/Cape Winelands District Municipality/Stellenbosch Municipality states that that pre-trial proceeded and the matter was adjourned until 15 October 2018 to enable the parties to comply with the timetable set out in the agreed pre-trial minutes. The settlement per the summons issued amounts to R6 142 100. The plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter. The settlement amount is to be paid by the insurance company on behalf of the Municipality and it would be expected of the Municipality to only pay the excess amount which has not been determined as yet. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.



Cape Winelands District Municipality

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42. Contingencies (continued)

(2019: The status of the claim is that the parties are currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/Cape Winelands District Municipality/Stellenbosch Municipality states that that pre-trial proceeded and the matter was adjourned until 15 October 2018 to enable the parties to comply with the timetable set out in the agreed pre-trial minutes. The settlement per the summons issued amounts to R6 142 100. The plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter. The settlement amount is to be paid by the insurance company on behalf of the Municipality and it would be expected of the Municipality to only pay the excess amount which has not been determined as yet. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

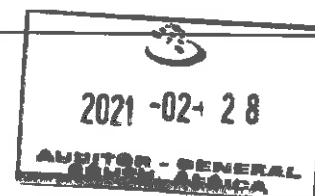
(iii) 2020: The status of the claim remains the same as reported on in the previous year. Specifically that on 22 January 2018 a Combined Summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525,07 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. It is clear that it is not possible at this stage to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2019: The status of the claim remains the same as reported on in the previous year. Specifically that on 22 January 2018 a Combined Summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525,07 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 file is currently pending as the plaintiff's attorney has not taken any further action. In view of the aforementioned, it is clear that it is not possible at this stage to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(iv) 2020: The status of the claim remains the same as reported on in the previous year. On 15 February 2019 a Combined Summons was issued by the Magistrates Court for the District of Tulbagh under Case No 18/2019 in terms of which HR de Waal (the plaintiffs) instituted action against the Cape Winelands District Municipality for damages suffered to the amount of R24 802,19 as a result of a motor vehicle collision that was driven a employee of the Cape Winelands District Municipality on 27 November 2017. The matter was reported to the District Municipality's insurers and they appointed a legal firm to defend the case. The relief the plaintiff are seeking is as follows: (a) that the District Municipality be held liable for the damages to the amount of R24 802,19, (b) interest on the aforesaid amount at the prescribed interest rate per annum from the date of the demand to the date of payment, (c) costs of suit. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2019: On 15 February 2019 a Combined Summons was issued by the Magistrates Court for the District of Tulbagh under Case No 18/2019 in terms of which HR de Waal (the plaintiffs) instituted action against the Cape Winelands District Municipality for damages suffered to the amount of R24 802,19 as a result of a motor vehicle collision that was driven a employee of the Cape Winelands District Municipality on 27 November 2017. The matter was reported to the District Municipality's insurers and they appointed a legal firm to defend the case. The relief the plaintiff are seeking is as follows: (a) that the District Municipality be held liable for the damages to the amount of R24 802,19, (b) interest on the aforesaid amount at the prescribed interest rate per annum from the date of the demand to the date of payment, (c) costs of suit.)

(v) 2020: On 19 March 2020 a Combined Summons was issued by the Magistrates Court for the District of Robertson under Case No 68/20 in terms of which C Matthee (the plaintiff) instituted action against the Cape Winelands District Municipality for damages suffered to the amount of R17 855.72 as a result a motor vehicle collision with a pothole on 19 May 2017. The Cape Winelands District Municipality have submitted a notice to defend on 17 June 2020. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

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42. Contingencies (continued)

(vi) 2020: The Municipality is still waiting on the outcome of 5 public liability claims, 26 third party accident claims and 3 insurance claims that were handed over to the state attorneys and / or the Municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.

(2019: The Municipality is still waiting on the outcome of 2 public liability claims, 14 third party accident claims and 2 insurance claims that were handed over to the state attorneys and / or the Municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.)

42.2 Contingent assets

(i) 2020: The Municipality is still awaiting the outcome of 1 insurance claims that were not concluded at 30 June 2020. The claims are not specific to the 2019/2020 financial year.

(2019: The Municipality is still awaiting the outcome of 5 insurance claims that were not concluded at 30 June 2019. The claims are not specific to the 2018/2019 financial year.)

It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.

43. Related parties

The following related parties exist:

National Treasury

Provincial Government Western Cape

National Department of Environmental Affairs

Stellenbosch Municipality

Drakenstein Municipality

Breede Valley Municipality

Langeberg Municipality

Witzenberg Municipality

Municipal Manager (H.F. Prins)

Chief Financial Officer (F.A. Du Raan-Groenewald)

Executive Director: Community Development and Planning Services (C.V. Schroeder) Resigned (31/08/2019)

Executive Director: Community Development and Planning Services (P. Williams) Appointed (01/01/2020)

Acting Executive Director: Community Development and Planning Service (B. Darries): Acting period 24/04/2019 - 31/12/2020

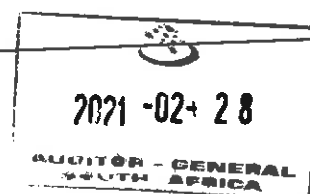
Executive Director: Technical Services (F.A. van Eck)

Ald (Dr) H. von Schlicht (Executive Mayor)

Cllr C. Meyer (Speaker)

Cllr D. Swart (Deputy Executive Mayor)

Cllr Z.L. Masoka



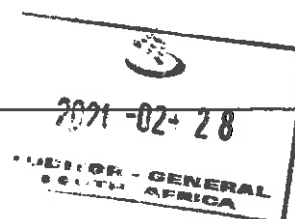
Cape Winelands District Municipality
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43. Related parties (continued)

- Cllr G.J. Carinus
- Cllr J.D.F. van Zyl
- Cllr J.J. du Plessis
- Cllr L.W. Niehaus
- Cllr A. Florence
- Cllr P.C. Ramokhabi
- Cllr L. Landu
- Cllr W.M. Blom
- Cllr A. Crombie
- Cllr C. Damens
- Cllr P. Daniel
- Cllr R. du Toit
- Cllr G.J. Fredericks
- Cllr P. Hess
- Cllr X. Kalipa
- Cllr J.S. Mouton
- Cllr R.S. Nalumango
- Cllr B.B. Ntshingila
- Cllr E. Qhankqiso
- Cllr S.C. Rens
- Cllr L.S. Sambokwe
- Ald J.W. Schuurman
- Cllr A.J. Shibili
- Cllr D.R.A. Snyders
- Cllr C. Steyn
- Cllr N. Tetena
- Cllr J.J. van Rooyen
- Cllr W. Vrolick
- Cllr C.F. Wilskut
- Cllr L.N. Qoba



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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|-----------------|------|------|

43. Related parties (continued)

| | |
|---------------------|----------------------|
| Cllr D.D. Joubert | Appointed 31/08/2018 |
| Cllr J. Smit | Appointed 02/10/2018 |
| Cllr N.D. Sauerman | Appointed 02/10/2018 |
| Cllr N. Bushwana | Appointed 31/07/2019 |
| Cllr M.M. Adriaanse | Resigned 31/07/2018 |
| Cllr N.S. Louw | Resigned 31/07/2018 |
| Cllr P. Marran | Resigned 15/05/2019 |

The salaries and remuneration of key management and councillors are disclosed in notes 22 & 23 of the Annual Financial Statements.

The Provincial Government Western Cape (Department of Transport and Public Works) provide the necessary funds to the Municipality to maintain, repair, protect and manage the proclaimed Provincial Roads in the area of the Municipality.

The Provincial Government Western Cape supply the Municipality with the necessary plant and equipment (yellow fleet and equipment) in order to perform the Roads services. The Municipality utilises the said fleet and equipment at no cost however, cost incurred relates to maintenance and fuel.

The Municipality utilised facilities provided by the local municipalities within the Cape Winelands District during the financial year for various programmes and events hosted by the different departments.

Related party transactions

Western Cape Investment and Trade Promotion Agency (WESGRO) is a public entity as envisaged in the PFMA, and is managed by a Board of Directors appointed by Executive Authority. WESGRO is the Official Tourism, Trade & Investment Promotion Agency for Cape Town and the Western Cape. The Executive Mayor, Ald (Dr) H Von Schlicht, serve as a WESGRO Board member. During the 2018/2019 financial year, the CWDM made payments to WESGRO for the Indaba Tourism Expo, World Travel Market Africa event, Meetings Africa, Educationals and Media Educationals. The CWDM did not make payments to WESGRO during the 2019/2020 financial year for any expo, event or educational.

The ACVV is a non-profit organisation in the social services field. The ACVV consists of a National Council & Head Office, 115 branches in 4 provinces affiliated to ACVV National Council and 220 service programs across 5 service focus areas. The Executive Mayor, Ald (Dr) H Von Schlicht, is on the Executive Management of the organisation as well as involved at ACVV Wellington. During the 2018/2019 financial year, the CWDM made transfers to ACVV Robertson, Utopia and Sonskyn Dienssentrum in respect of the Municipality's Community Support project. The CWDM made transfers to the ACVV Bolleie Creche, ACVV Robertson: Trippeltoontjies and ACVV Jakaranda Dienssentrum in respect of the Municipality's Care and Support programme for the 2019/2020 financial year.

WESGRO

| | | |
|--|---|---------|
| Payments for participation and attending Meetings Africa | - | 50 000 |
| Payments for shared exhibitor costs of the Indaba Tourism Expo | - | 200 000 |
| Payments for floorspace and furniture for the World Travel Market Africa Event | - | 150 000 |
| Payments for educationals and media educationals | - | 30 000 |
| | - | 430 000 |

ACVV

| | | |
|--|--------|--------|
| Payments for Community Support project | 30 000 | 12 500 |
|--|--------|--------|



Cape Winelands District Municipality

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44. Change in estimate

Property, plant and equipment & Intangible assets

The prior year accounting estimates relating to the estimated useful lives of Buildings, Infrastructure, Furniture and fittings, Plant and equipment, Motor vehicles, Office equipment, Other Plant and equipment and intangibles were evaluated during the 2019/2020 financial year and the changes in the estimates were implemented on 01 July 2019. This led to a change in depreciation and amortisation for the 2019/2020 financial year from the 2018/2019 financial year. The amount of the depreciation and amortisation, had the change in accounting estimate not been effected, the effect of the change in accounting estimate of depreciation and amortisation for the 2019/2020 financial year as well as the amended depreciation and amortisation are as follows:

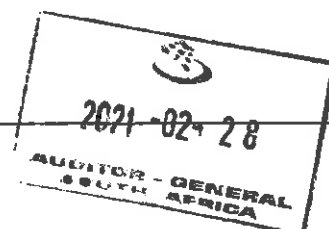
Redundant store assets

| Asset Type Description | Total of depreciation on assets for 2019-20 had no change been effected: | Total new depreciation for 2019-20 after the change was affected: | 2019/2020: Difference: Increase/ (decrease) in depreciation | Total of depreciation on assets for future years had no change been effected: | Total new depreciation for future years after the change was affected: | Future years: Difference: Increase/ (decrease) in depreciation |
|------------------------|--|---|---|---|--|--|
| Furniture and fittings | 8 112 | 17 510 | 9 398 | 9 398 | - | (9 398) |
| Office Equipment | 32 849 | 210 258 | 177 410 | 177 410 | - | (177 410) |
| Plant and equipment | 5 050 | 24 200 | 19 150 | 19 150 | - | (19 150) |
| | <u>46 011</u> | <u>251 968</u> | <u>205 958</u> | <u>205 958</u> | <u>-</u> | <u>(205 958)</u> |

The effect of the change in estimate led to an decrease in depreciation of Furniture and fittings of R 9 398, decrease in depreciation of Office equipment of R 177 410 and a decrease in depreciation of Plant and equipment of R 19 150 for the future years.

Review of RUL of Property, Plant and Equipment & Intangible assets

| Asset Type Description | Total of depreciation on assets for 2019-20 had no change been effected: | Total new depreciation for 2019-20 after the change was affected: | 2019/2020: Difference: Increase/ (decrease) in depreciation | Total of depreciation on assets for future years had no change been effected: | Total new depreciation for future years after the change was affected: | Future years: Difference: Increase/ (decrease) in depreciation |
|---------------------------|--|---|---|---|--|--|
| Buildings | 98 904 | 22 640 | (76 264) | 194 866 | 271 130 | 76 264 |
| Infrastructure | 3 513 | 3 768 | 255 | 49 221 | 48 965 | (255) |
| Furniture and fittings | 232 363 | 90 965 | (141 399) | 561 013 | 702 412 | 141 399 |
| Plant and equipment | 1 057 179 | 410 303 | (646 876) | 2 513 446 | 3 160 322 | 646 876 |
| Motor vehicles | 1 200 992 | 515 787 | (685 205) | 3 656 232 | 4 341 437 | 685 205 |
| Office equipment | 772 321 | 334 077 | (438 244) | 2 380 550 | 2 818 794 | 438 244 |
| Other plant and equipment | 283 396 | 128 582 | (154 814) | 931 563 | 1 086 377 | 154 814 |
| Intangibles | 174 330 | 58 711 | (115 619) | 274 474 | 390 094 | 115 619 |
| | <u>3 822 998</u> | <u>1 564 833</u> | <u>(2 258 166)</u> | <u>10 561 365</u> | <u>12 819 531</u> | <u>2 258 166</u> |



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44. Change in estimate (continued)

The effect of the change in estimate led to an increase in depreciation of Buildings of R 76 264, decrease in depreciation of Infrastructure of R 255 an increase of depreciation of Furniture and fittings of R 141 399, an increase in depreciation of Plant and equipment of R 646 876, an increase of depreciation of Motor vehicles of R 685 205, an increase in depreciation of Office equipment of R 438 244, an increase in depreciation of Other Plant and Equipment of R 154 814 and an increase in amortisation of Intangibles of R 115 619 for the future years.

45. B-BBEE Performance

Information on compliance with the B- BBEE Act is included in the annual report under the section B- BBEE Compliance Performance Information.

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%.

46.1 Statement of Financial Position

Assets

Current Assets

Inventories

The procurement of the COVID-19 Personal protective equipment were done via the stores and at year-end all the items were not issued to the respective departments.

Other receivables from exchange transactions

Variance is less than 10%, no reason required

Receivables from non- exchange transactions

The budget schedules do not distinguish between non-exchange and exchange receivables, hence cannot accurately budget for these items.

VAT receivable

The budget schedules only makes provision to budget for a VAT payable but not for a VAT receivable.

Employee benefit asset

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 and Cash Equivalents

Variance is less than 10%, no reason required.

Trade receivables from exchange transactions

The budget schedules do not distinguish between non-exchange and exchange receivables, hence cannot accurately budget for these items.

Non-Current Assets

Property, plant and equipment

Variance is less than 10%, no reason required.



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46. Actual operating expenditure versus budgeted operating expenditure (continued)

Intangible assets

During the budget process certain assets were classified as Property, plant and equipment. During the preparation of the annual financial statements it was reclassified as intangible assets.

Employee benefit asset

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Liabilities

Current Liabilities

Payables from exchange transactions

Included in Other payables is a batch of payments to the value of +-R3 000 000 that was processed on 30 June 2020 but was only cleared on the system 1 July 2020.

Employee benefit obligation

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.

Unspent conditional grants and receipts

The outcome of the roll-over request for grant funding only materialised in the latter part of the financial year and therefore it was impossible to complete all the work by 30 June 2020. Furthermore the national lockdown placed further pressure on the roll out of projects.

Provisions

The variance relates to insurance claims that were finalised after the reporting date but prior to the date when the financial statements were authorised for issue. No budget appropriation has been made during the relevant budget processes.

VAT Payable

The amount budgeted for is an opening balance and is mapped to VAT Payable in accordance with mSCOA.

Consumer Deposits

The amount budgeted for is an opening balance and is mapped to Consumer Deposits in accordance with mSCOA.

Non-Current Liabilities

Employee Benefit obligation

Variance is less than 10%, no reason required.

Net Assets

Accumulated surplus

Variance is less than 10%, no reason required.



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2020

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46. Actual operating expenditure versus budgeted operating expenditure (continued)

46.2 Statement of Financial Performance

Revenue from exchange transactions

Service charges

Service Charges mainly relate to fire fighting services accounts and is based on past trends. The fire season was not as fierce as the previous years, hence the under collection.

Rental of facilities and equipment

Variance is less than 10%, no reason required.

Roads services

A substantial amount was allocated to recover the Employee Benefit Asset in respect of the Post Employment Medical Aid for the Roads services. Due to the national lockdown the Roads department was unable to perform its duties and submit claims as per the norm.

Other revenue

Other revenue consist of different income sources which is variable to change due to external factors.

Interest received - investment

Variance is less than 10%, no reason required.

Revenue from non-exchange transactions

Transfer revenue

Government grants and subsidies

Variance is less than 10%, no reason required.

Expenditure

Employee related costs

The calculation of the employee benefit asset amount had an effect on the employee related cost as the amount credited against the service and interest cost lower than expected.

Remuneration of councillors

Variance is less than 10%, no reason required.

Depreciation and amortisation

The under expenditure on the capital budget led to the under expenditure of depreciation. The awarding of tenders were delayed as the municipality awaited the outcome from National Treasury with regards to the Bid Adjudication Committee matter.

Debt impairment

The budget schedules do not make provision to budget separately for Debt impairment and Bad debt written off. During the preparation of the Annual financial statements these two line items are shown separately

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

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46. Actual operating expenditure versus budgeted operating expenditure (continued)

Lease rentals on operating lease

The budget schedules do not make provision to budget separately for operating leases but makes provision for it under other expenditure.

Bad debt written off

The budget schedules does not make provision to budget separately for Bad debt written off.

Contracted services

The municipality had a number of projects that could not be completed in the financial year which led to the under expenditure. The Roads department was unable to complete all projects as planned due to the national lockdown. VAT claimed on contracted services further added to this underspending.

Transfers and subsidies

Variance is less than 10%, no reason required.

General expenditure

Due to the national lockdown savings realised on the operational expenditure of the municipality such as fuel, travel and subsistence and congress expenses. The municipal account was also lower due to the municipal offices not being occupied by staff.

Loss on disposal of assets and liabilities

During the budget process it is not yet known which assets will be disposed during the financial year.

Inventories losses / write downs

Variance is less than 10%, no reason required.

46.3 Cash Flow Statement

Sale of goods and services

Refer to reason provided above for the Statement of financial performance.

Grants

Variance is less than 10%, no reason required.

Interest income

Variance is less than 10%, no reason required

Employee cost

Variance is less than 10%, no reason required.

Suppliers

Variance is less than 10%, no reason required

Other payments: remuneration to councillors

Variance is less than 10%, no reason required.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2020

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46. Actual operating expenditure versus budgeted operating expenditure (continued)

Purchase of property, plant and equipment

The municipality only spent 69% of its capital budget as planned due to the fact that the awarding of tenders were delayed as the municipality awaited the outcome from National Treasury with regards to the Bid Adjudication Committee matter. Savings as a result of VAT input claimed on acquisitions also contributed to the variance. The fact that the municipality do not have a large capital budget in value a few high valued items has a huge influence on the percentage expenditure.

Proceeds from sale of property, plant and equipment

At the time that the final budget is approved it is not known which assets will be disposed at year end.

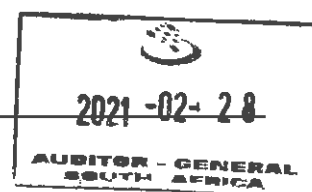
Purchase of other intangible assets

The municipality did not budget for the acquisition of intangible assets. The assets classified as intangible assets was budgeted for under property, plant and equipment.

47. Events after reporting date

Events were identified subsequent to the reporting date but prior to the date when the financial statements were authorised for issue that had an adjusting effect on other receivables from exchange transactions and provisions. The adjustment amounts were included in other receivables from exchange transactions (note 4) and provisions (note 38). The additional amount included in the note to other receivables from exchange transactions relating to the adjusting event amounted to R 217 230. The additional amount included in the note to provisions relating to the adjusting event amounted to R 57 263.

Councillor P. Hess has been elected on 20 August 2020 as Speaker of Langeberg Municipality, a category B- municipality within the jurisdiction of CWDM. The councillor signed an acknowledgement of debt to settle the outstanding debt disclosed in note 35.6



Annexure A

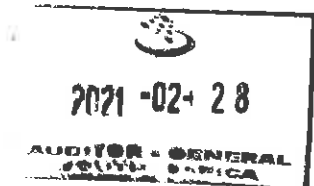
DC2 Cape Winelands DM - Reconciliation of Table A1 Budget Summary

| Description | 2019/20 | | | | | | | | 2018/19 | | | |
|--|-----------------|------------------------------------|--------------------------|----------------|--------------------------|-----------------|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------|
| | Original Budget | 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 | Re-audited Outcome |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Financial Performance | | | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment revenue | 56 000 | 500 | 56 500 | 55 406 | - | (1 094) | 98,1% | 98,9% | - | - | - | - |
| Transfers recognised - operational | 241 135 | 3 012 | 244 147 | 239 157 | - | (4 990) | 98,0% | 99,2% | - | - | - | - |
| Other own revenue | 143 670 | (1 989) | 141 671 | 108 125 | - | (33 546) | 76,3% | 75,3% | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 440 805 | 1 512 | 442 317 | 402 888 | | (39 630) | 91,0% | 91,4% | | | | |
| Employee costs | 225 735 | (220) | 225 515 | 203 282 | - | (22 232) | 90,1% | 90,1% | - | - | - | - |
| Remuneration of councillors | 13 268 | 55 | 13 323 | 12 610 | - | (713) | 94,7% | 95,0% | - | - | - | - |
| Debt impairment | 1 096 | 135 | 1 231 | 213 | - | (1 018) | 17,3% | 19,4% | - | - | - | - |
| Depreciation & asset impairment | 10 006 | 1 971 | 11 977 | 8 508 | - | (3 468) | 71,0% | 85,0% | - | - | - | - |
| Finance charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Materials and bulk purchases | 36 057 | (541) | 35 517 | 28 235 | - | (7 282) | 79,5% | 78,3% | - | - | - | - |
| Transfers and grants | 11 928 | 8 944 | 20 872 | 18 838 | - | (2 034) | 90,3% | 157,9% | - | - | - | - |
| Other expenditure | 145 716 | (17 838) | 127 878 | 84 712 | - | (43 166) | 66,2% | 58,1% | - | - | - | - |
| Total Expenditure | 443 805 | (7 493) | 436 312 | 356 399 | | (79 913) | 81,7% | 80,3% | | | | |
| Surplus/(Deficit) | (3 000) | 9 008 | 6 006 | 46 289 | | 40 283 | 770,7% | -1543,0% | | | | |
| Transfers recognised - capital | 6 428 | (5 186) | 1 242 | - | - | (1 242) | - | - | - | - | - | - |
| Contributions recognised - capital & contributed assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 3 427 | 3 820 | 7 248 | 46 289 | | 39 041 | 638,7% | 1350,5% | | | | |
| Share of surplus/ (deficit) of associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 3 427 | 3 820 | 7 248 | 46 289 | | 39 041 | 638,7% | 1350,5% | | | | |
| Capital expenditure & funds sources | | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | | |
| Transfers recognised - capital | 6 428 | (5 186) | 1 242 | 136 | - | (1 106) | 11,0% | 2,1% | - | - | - | - |
| Public contributions & donations | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 36 223 | (26 516) | 9 707 | 7 455 | - | (2 253) | 76,8% | 20,6% | - | - | - | - |
| Total sources of capital funds | 42 650 | (31 701) | 10 949 | 7 591 | | (3 358) | 89,3% | 17,8% | | | | |
| Cash flows | | | | | | | | | | | | |
| Net cash from (used) operating | 36 541 | 3 353 | 39 894 | 68 252 | - | 28 358 | 171,1% | 186,8% | - | - | - | - |
| Net cash from (used) Investing | (42 650) | 31 702 | (10 948) | (7 550) | - | 3 399 | 69,0% | 17,7% | - | - | - | - |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the year end | 634 478 | 50 765 | 685 236 | 716 993 | | 31 757 | 104,6% | 113,0% | | | | |

2021-02-28
 AUDITOR - GENERAL
 SOUTH AFRICA

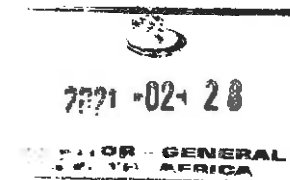
DC2 Cape Winelands DM - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Description | 2019/20 | | | | | | | | 2018/19 | | | |
|--|-----------------|------------------------------------|--------------------------|----------------|--------------------------|---|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| | Original Budget | Budget Adjustments (L.o. MFMA s26) | 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 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Revenue - Standard | | | | | | | | | | | | |
| <i>Governance and administration</i> | 304 593 | 1 966 | 306 559 | 300 964 | | (5 594) | 98,2% | 98,8% | | | | |
| Executive and council | 72 641 | 1 225 | 73 866 | 68 846 | | (5 020) | 93,2% | 94,8% | | | | |
| Budget and treasury office | 231 148 | - | 231 148 | 231 079 | | (69) | 100,0% | 100,0% | | | | |
| Corporate services | 804 | 741 | 1 545 | 1 040 | | (505) | 67,3% | 129,4% | | | | |
| <i>Community and public safety</i> | 7 956 | 1 632 | 9 588 | 5 365 | | (4 223) | 56,0% | 67,4% | | | | |
| Community and social services | - | 148 | 148 | 45 | | (103) | 30,5% | #DIV/0! | | | | |
| Sport and recreation | - | - | - | - | | - | - | - | | | | |
| Public safety | 2 346 | 1 214 | 3 560 | 2 101 | | (1 464) | 56,3% | 89,6% | | | | |
| Housing | 5 360 | 225 | 5 585 | 2 571 | | (3 014) | 46,0% | 48,0% | | | | |
| Health | 250 | 40 | 290 | 648 | | 368 | 223,4% | 259,1% | | | | |
| <i>Economic and environmental services</i> | 134 633 | (7 271) | 127 362 | 108 803 | | (18 559) | 85,4% | 80,8% | | | | |
| Planning and development | - | - | - | - | | - | - | - | | | | |
| Road transport | 134 633 | (7 271) | 127 362 | 108 803 | | (18 559) | 85,4% | 80,8% | | | | |
| Environmental protection | - | - | - | - | | - | - | - | | | | |
| <i>Trading services</i> | - | - | - | - | | - | - | - | | | | |
| Electricity | - | - | - | - | | - | - | - | | | | |
| Water | - | - | - | - | | - | - | - | | | | |
| Waste water management | - | - | - | - | | - | - | - | | | | |
| Waste management | - | - | - | - | | - | - | - | | | | |
| Other | 50 | - | 50 | - | | (50) | - | - | | | | |
| Total Revenue - Standard | 447 233 | (3 673) | 443 560 | 415 133 | | (28 427) | 93,6% | 92,8% | | | | |
| Expenditure - Standard | | | | | | | | | | | | |
| <i>Governance and administration</i> | 154 757 | (6 052) | 148 705 | 118 723 | (29 983) | (29 983) | 78,8% | 76,7% | - | - | - | - |
| Executive and council | 47 582 | (5 789) | 41 892 | 32 835 | (9 057) | (9 057) | 76,4% | 68,8% | - | - | - | - |
| Budget and treasury office | 24 580 | 989 | 25 571 | 22 342 | (3 229) | (3 229) | 87,4% | 90,9% | - | - | - | - |
| Corporate services | 62 490 | (1 251) | 61 240 | 63 646 | (17 696) | (17 696) | 78,2% | 77,0% | - | - | - | - |
| <i>Community and public safety</i> | 132 749 | 9 332 | 142 082 | 130 345 | (11 736) | (11 736) | 91,7% | 98,2% | - | - | - | - |
| Community and social services | 11 400 | (388) | 11 012 | 9 846 | (1 169) | (1 169) | 89,4% | 86,3% | - | - | - | - |
| Sport and recreation | - | - | - | - | - | - | - | - | - | - | - | - |
| Public safety | 65 488 | 16 925 | 82 413 | 77 141 | (5 272) | (5 272) | 93,6% | 117,8% | - | - | - | - |
| Housing | 16 056 | (6 128) | 9 928 | 5 536 | (4 392) | (4 392) | 55,8% | 34,5% | - | - | - | - |
| Health | 35 802 | (1 076) | 34 726 | 37 823 | (3 097) | (3 097) | 97,7% | 95,0% | - | - | - | - |
| <i>Economic and environmental services</i> | 148 826 | (9 622) | 139 204 | 114 585 | (24 619) | (24 619) | 82,3% | 77,0% | - | - | - | - |
| Planning and development | 9 330 | (2 504) | 6 826 | 6 303 | (123) | (123) | 98,1% | 63,5% | - | - | - | - |
| Road transport | 138 896 | (6 119) | 132 777 | 108 281 | (24 495) | (24 495) | 81,6% | 78,0% | - | - | - | - |
| Environmental protection | - | - | - | - | (1) | (1) | - | - | - | - | - | - |
| <i>Trading services</i> | - | - | - | - | - | - | - | - | - | - | - | - |
| Electricity | - | - | - | - | - | - | - | - | - | - | - | - |
| Water | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 7 472 | (1 552) | 5 920 | 5 191 | (1 130) | (1 130) | 82,1% | 69,5% | - | - | - | - |
| Total Expenditure - Standard | 443 805 | (7 493) | 436 312 | 368 844 | (67 468) | (67 468) | 84,5% | 83,1% | | | | |
| Surplus/(Deficit) for the year | 3 427 | 3 820 | 7 248 | 46 289 | 39 041 | 39 041 | 636,7% | 1350,5% | | | | |



DC2 Cape Winelands DM - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | 2019/20 | | | | | | | | 2018/19 | | | |
|--|-----------------|-------------------------------------|--------------------------|----------------|--------------------------|-----------------|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| | Original Budget | Budget Adjustments (i.Lo. MFMA s28) | Final adjustments budget | Actual Outcome | Unauthorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| R thousand | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - | - | - |
| Property rates - penalties & collection charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - electricity revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 131 | 109 | 240 | 230 | - | (10) | 95,8% | 175,6% | - | - | - | - |
| Interest earned - external investments | 56 000 | 500 | 56 500 | 56 406 | - | (1 094) | 98,1% | 98,9% | - | - | - | - |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | - | 70 | 70 | 70 | - | - | 100,0% | #DIV/0! | - | - | - | - |
| Licences and permits | 250 | 40 | 290 | 248 | - | 358 | 223,4% | 259,1% | - | - | - | - |
| Agency services | 128 202 | (2 873) | 125 329 | 108 276 | - | (19 053) | 84,8% | 82,9% | - | - | - | - |
| Transfers recognised - operational | 241 135 | 3 012 | 244 147 | 239 157 | - | (4 990) | 98,0% | 99,2% | - | - | - | - |
| Other revenue | 15 087 | 655 | 15 742 | 901 | - | (14 841) | 5,7% | 6,0% | - | - | - | - |
| Gains on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 440 805 | 1 812 | 442 317 | 402 858 | | (39 538) | 91,0% | 91,4% | | | | |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | 225 735 | (220) | 225 515 | 203 282 | - | (22 232) | 90,1% | 90,1% | - | - | - | - |
| Remuneration of councillors | 13 358 | 55 | 13 323 | 12 610 | - | (713) | 94,7% | 95,0% | - | - | - | - |
| Debt impairment | 1 066 | 135 | 1 231 | 213 | - | (1 018) | 17,3% | 19,4% | - | - | - | - |
| Depreciation & asset impairment | 10 006 | 1 971 | 11 977 | 8 508 | - | (3 468) | 71,0% | 85,0% | - | - | - | - |
| Finance charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Bulk purchases | - | - | - | - | - | - | - | - | - | - | - | - |
| Other materials | 36 057 | (541) | 35 517 | 28 235 | - | (7 282) | 79,5% | 78,3% | - | - | - | - |
| Contracted services | 52 140 | (9 312) | 52 228 | 36 787 | - | (15 441) | 70,4% | 59,2% | - | - | - | - |
| Transfers and grants | 11 528 | 8 544 | 20 872 | 18 838 | - | (2 034) | 90,3% | 157,9% | - | - | - | - |
| Other expenditure | 83 556 | (8 742) | 74 814 | 47 344 | - | (27 470) | 63,3% | 56,7% | - | - | - | - |
| Loss on disposal of PPE | 20 | 816 | 836 | 591 | - | (255) | 69,5% | 2906,1% | - | - | - | - |
| Total Expenditure | 443 805 | (7 493) | 436 312 | 356 399 | | (79 913) | 81,7% | 80,3% | | | | |
| Surplus/(Deficit) | (3 000) | 9 006 | 9 006 | 46 289 | | 40 283 | 770,7% | -1843,0% | | | | |
| Transfers recognised - capital | 6 428 | (5 188) | 1 242 | - | - | (1 242) | - | - | - | - | - | - |
| Contributions recognised - capital | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributed assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 3 427 | 3 820 | 7 248 | 46 289 | | 39 041 | 638,7% | 1350,5% | | | | |
| Taxation | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | 3 427 | 3 820 | 7 248 | 46 289 | | 39 041 | 638,7% | 1350,5% | | | | |
| Attributable to minorities | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | 3 427 | 3 820 | 7 248 | 46 289 | | 39 041 | 638,7% | 1350,5% | | | | |
| Share of surplus/(deficit) of associate | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 3 427 | 3 820 | 7 248 | 46 289 | | 39 041 | 638,7% | 1350,5% | | | | |



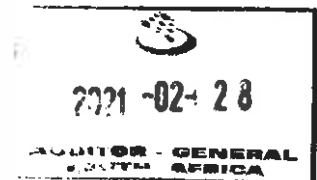
DC2 Cape Winelands DM - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | 2019/20 | | | | | | | | 2018/19 | | | |
|---|-----------------|-------------------------------------|--------------------------|----------------|--------------------------|---|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| | Original Budget | Budget Adjustments (i.Lo. 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 | 2 596 | 1 259 | 3 855 | 2 749 | - | (1 106) | 71,3% | 105,9% | | | | |
| Vote 3 - ENGINEERING | 6 395 | 1 122 | 7 517 | 3 617 | - | (3 900) | 48,1% | 56,6% | | | | |
| Vote 4 - RURAL AND SOCIAL | - | 148 | 148 | 45 | - | (103) | 30,5% | #DIV/0! | | | | |
| Vote 5 - OFFICE OF THE MM | - | - | - | - | - | - | - | - | | | | |
| Vote 6 - FINANCIAL SERVICES | 231 148 | - | 231 148 | 231 079 | - | (69) | 100,0% | 100,0% | | | | |
| Vote 7 - CORPORATE SERVICES | 73 310 | 1 357 | 75 167 | 69 652 | - | (5 515) | 92,7% | 95,0% | | | | |
| Vote 8 - ROADS AGENCY | 133 733 | (8 059) | 125 675 | 107 991 | - | (17 684) | 85,9% | 80,8% | | | | |
| Vote 9 - TASK | - | - | - | - | - | - | - | - | | | | |
| Vote 10 - HEALTH AGENCY | - | - | - | - | - | - | - | - | | | | |
| Vote 11 - CORPORATE SERVICES | - | - | - | - | - | - | - | - | | | | |
| Example 12 - Vote12 | - | - | - | - | - | - | - | - | | | | |
| Example 13 - Vote13 | - | - | - | - | - | - | - | - | | | | |
| Example 14 - Vote14 | - | - | - | - | - | - | - | - | | | | |
| Example 15 - Vote15 | - | - | - | - | - | - | - | - | | | | |
| Total Revenue by Vote | 447 233 | (3 673) | 443 559 | 415 133 | | (28 427) | 93,6% | 92,8% | | | | |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | |
| Vote 1 - REGIONAL DEVELOPMENT AND PLAN | 17 402 | (4 654) | 12 748 | 11 494 | - | (1 254) | 90,2% | 66,0% | | | | |
| Vote 2 - COMM AND DEV | 105 390 | 15 845 | 121 140 | 114 964 | - | (6 176) | 94,9% | 109,2% | | | | |
| Vote 3 - ENGINEERING | 47 794 | (5 880) | 41 914 | 29 342 | - | (12 572) | 70,0% | 61,4% | | | | |
| Vote 4 - RURAL AND SOCIAL | 11 405 | (388) | 11 015 | 9 846 | - | (1 169) | 89,4% | 86,3% | | | | |
| Vote 5 - OFFICE OF THE MM | 12 876 | 3 205 | 16 081 | 13 035 | - | (3 046) | 81,1% | 101,2% | | | | |
| Vote 6 - FINANCIAL SERVICES | 24 583 | 989 | 25 571 | 22 342 | - | (3 229) | 87,4% | 90,9% | | | | |
| Vote 7 - CORPORATE SERVICES | 87 430 | (13 281) | 74 149 | 57 260 | - | (16 889) | 77,2% | 65,5% | | | | |
| Vote 8 - ROADS AGENCY | 129 985 | (2 923) | 127 062 | 104 721 | - | (22 341) | 82,4% | 80,6% | | | | |
| Vote 9 - TASK | - | - | - | - | - | - | - | - | | | | |
| Vote 10 - HEALTH AGENCY | - | - | - | - | - | - | - | - | | | | |
| Vote 11 - CORPORATE SERVICES | 7 042 | (409) | 6 633 | 5 840 | - | (792) | 88,1% | 82,9% | | | | |
| Example 12 - Vote12 | - | - | - | - | - | - | - | - | | | | |
| Example 13 - Vote13 | - | - | - | - | - | - | - | - | | | | |
| Example 14 - Vote14 | - | - | - | - | - | - | - | - | | | | |
| Example 15 - Vote15 | - | - | - | - | - | - | - | - | | | | |
| Total Expenditure by Vote | 443 805 | (7 493) | 436 312 | 368 844 | | (67 468) | 84,5% | 83,1% | | | | |
| Surplus/(Deficit) for the year | 3 428 | 3 820 | 7 247 | 46 289 | | 39 041 | 638,7% | 1350,5% | | | | |



DC2 Cape Winelands DM - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description | 2018/20 | | | | | | | 2019/19 | | | | |
|---------------------------------------|-----------------|--|--------------------------|----------------|--------------------------|----------|-------------------------------------|--|-----------------------------------|---|-------------------------|-------------------------|
| | 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 | Revised Audited Outcome |
| R (thousand) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Capital expenditure - Vote | | | | | | | | | | | | |
| Multi-year expenditure | | | | | | | | | | | | |
| Vote 1 REGIONAL DEVELOPMENT AND PLAN | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 2 COMM AND DEV | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 3 ENGINEERING | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 4 RURAL AND SOCIAL | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 5 OFFICE OF THE M1 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 6 FINANCIAL SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 7 CORPORATE SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 8 ROADS - FENCING | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 9 TASK | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 10 HEALTH AGENCY | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 11 CORPORATE SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 12 - Vote 2 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 13 - Vote 3 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 14 - Vote 4 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 15 - Vote 5 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Capital multi-year expenditure | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Single-year expenditure | | | | | | | | | | | | |
| Vote 1 REGIONAL DEVELOPMENT AND PLAN | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 2 COMM AND DEV | 12 898 | (8 391) | 7 568 | 7 403 | -- | (1 254) | 83% | 40% | -- | -- | -- | -- |
| Vote 3 ENGINEERING | 18 212 | (16 679) | 2 538 | 586 | -- | (1 650) | 23% | 3% | -- | -- | -- | -- |
| Vote 4 RURAL AND SOCIAL | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 5 OFFICE OF THE M1 | 250 | (230) | 22 | 16 | -- | (8) | 73% | 6% | -- | -- | -- | -- |
| Vote 6 FINANCIAL SERVICES | 38 | 45 | 73 | 45 | -- | (28) | 61% | 158% | -- | -- | -- | -- |
| Vote 7 CORPORATE SERVICES | 1 872 | (1 346) | 526 | 465 | -- | (61) | 88% | 25% | -- | -- | -- | -- |
| Vote 8 ROADS AGENCY | 5 382 | (5 485) | 195 | 136 | -- | (59) | 70% | 3% | -- | -- | -- | -- |
| Vote 9 TASK | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 10 HEALTH AGENCY | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 11 CORPORATE SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 12 - Vote 1 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 13 - Vote 2 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 14 - Vote 3 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 15 - Vote 4 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Example 16 - Vote 5 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Capital single-year expenditure | 42 650 | (31 701) | 10 949 | 7 591 | -- | (3 358) | 69% | 16% | -- | -- | -- | -- |
| Total Capital Expenditure - Vote | 42 650 | (31 701) | 10 949 | 7 591 | -- | (3 358) | 69% | 16% | -- | -- | -- | -- |
| Capital Expenditure - Standard | | | | | | | | | | | | |
| Governance and administration | 21 371 | (18 214) | 3 157 | 1 112 | -- | (2 045) | 35% | 5% | -- | -- | -- | -- |
| Executive and council | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Budget and treasury office | 58 | 25 | 73 | 45 | -- | (28) | 61% | 158% | -- | -- | -- | -- |
| Corporate services | 21 343 | (18 240) | 3 224 | 1 067 | -- | (2 017) | 35% | 6% | -- | -- | -- | -- |
| Community and public safety | 11 998 | (8 381) | 7 618 | 8 343 | -- | (1 259) | 83% | 40% | -- | -- | -- | -- |
| Community and social services | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Sport and recreation | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Public safety | 15 644 | (8 229) | 7 418 | 8 234 | -- | (1 182) | 84% | 40% | -- | -- | -- | -- |
| Housing | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Health | 255 | (73) | 180 | 104 | -- | (72) | 60% | 43% | -- | -- | -- | -- |
| Economic and environmental services | 5 382 | (5 198) | 188 | 136 | -- | (50) | 76% | 3% | -- | -- | -- | -- |
| Planning and development | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Road transport | 5 382 | (5 185) | 195 | 136 | -- | (59) | 70% | 3% | -- | -- | -- | -- |
| Environmental protection | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Trading services | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Electricity | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Water | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Waste water management | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Waste management | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total Capital Expenditure - Standard | 42 650 | (31 701) | 10 949 | 7 591 | -- | (3 358) | 69% | 16% | -- | -- | -- | -- |
| Funded by: | | | | | | | | | | | | |
| National Government | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Provincial Government | 8 418 | (5 185) | 1 242 | 136 | -- | (1 106) | 11% | 2% | -- | -- | -- | -- |
| Distal Municipality | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other transfers and grants | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Transfers recognised - capital | 8 418 | (5 185) | 1 242 | 136 | -- | (1 106) | 11% | 2% | -- | -- | -- | -- |
| Public contributions & donations | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Borrowing | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Internally generated funds | 38 221 | (28 516) | 9 707 | 7 455 | -- | (2 253) | 77% | 21% | -- | -- | -- | -- |
| Total Capital Funding | 42 650 | (31 701) | 10 949 | 7 591 | -- | (3 358) | 69% | 16% | -- | -- | -- | -- |



DC2 Cape Winelands DM - Reconciliation of Table A7 Budgeted Cash Flows

| Description | 2019/20 | | | | | | | 2018/19 |
|---|-----------------|---------------------------------|--------------------------|----------------|---------------|-------------------------------------|--|--------------------------|
| | 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 | 149 429 | (7 758) | 141 671 | 106 624 | (35 047) | 75,3% | 71,4% | |
| Government - operating | 241 015 | 4 376 | 245 391 | 239 157 | (6 235) | 97,5% | 99,2% | |
| Government - capital | - | 1 242 | 1 242 | - | (1 242) | - | - | |
| Interest | 56 000 | 500 | 56 500 | 58 957 | 2 457 | 104,3% | 105,3% | |
| Dividends | - | - | - | - | - | - | - | |
| Payments | | | | | | | | |
| Suppliers and employees | (398 225) | 13 753 | (384 472) | (317 648) | 66 824 | 82,6% | 79,8% | |
| Finance charges | (6) | 6 | - | - | - | - | - | |
| Transfers and Grants | (11 671) | (8 767) | (20 438) | (18 838) | 1 600 | 92,2% | 161,4% | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 36 541 | 3 353 | 39 894 | 66 252 | 28 358 | 171,1% | 186,8% | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Receipts | | | | | | | | |
| Proceeds on disposal of PPE | - | - | - | 41 | 41 | #DIV/0! | #DIV/0! | |
| Decrease (Increase) in non-current debtors | - | - | - | - | - | - | - | |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | |
| Payments | | | | | | | | |
| Capital assets | (42 650) | 31 702 | (10 949) | (7 591) | 3 358 | 69,3% | 17,8% | |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (42 650) | 31 702 | (10 949) | (7 550) | 3 399 | 69,0% | 17,7% | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Receipts | | | | | | | | |
| Short term loans | - | - | - | - | - | - | - | |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | |
| Payments | | | | | | | | |
| Repayment of borrowing | - | - | - | - | - | - | - | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | (6 109) | 35 054 | 28 945 | 60 702 | | | | - |
| Cash/cash equivalents at the year begin: | 640 579 | 15 711 | 656 290 | 656 290 | | | | |
| Cash/cash equivalents at the year end: | 634 470 | 50 765 | 685 236 | 716 993 | 31 757 | 104,6% | 113,0% | |



Annexure B

Disclosure of benefits in terms of the Local Government: Municipal System Act, 2000 (Act No. 32 of 2000), schedule 1.5(2) and schedule 2.5(1), in respect of business associations

In terms of Schedule 1.5(2) A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefits from a contract concluded with the municipality, must disclose full particulars of the benefit which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make disclosure; and

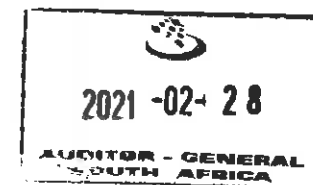
In terms of Schedule 2.5(1) A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.

| BENEFICIARY | RELATIONSHIP | DETAIL (INDIRECT RELATION) | THIRD PARTY CONNECTION | 2020 | 2019 |
|-------------------------------------|--------------------|------------------------------|------------------------|------|-------|
| WR Meiring (Groot Zand Boerdery) | Business Associate | HF Prins (Municipal Manager) | River Five CC | - | 4 500 |
| | | | | - | 4 500 |

2019/2020: The business associate of the Municipal Manager in River Five CC was not a beneficiary of the Cape Winelands District Municipality's Project: Renewable Infrastructure – Rural Areas in terms of the Policy for Electrification of Rural Homes and the Supply of Solar Water Heating Systems.

(2018/2019: The Municipal Manager, Mr HF Prins, indicated in his quarterly and annual declaration of interest that he holds 25% share in River Five CC. Mr Prins has a business associate in River Five CC who is a beneficiary of the Cape Winelands District Municipality's Project: Renewable Infrastructure – Rural Areas in terms of the Policy for Electrification of Rural Homes and the Supply of Solar Water Heating Systems. Cognisance must be taken of the fact that the Municipal Manager does not have a direct relationship with the beneficiary of the Municipality.)

Necessary internal controls are implemented to consider the possibility, and to assess the likelihood, that a relationship between the key management and councillors of the Municipality and related parties of suppliers with whom the Municipality does business with, would be able to influence a contract concluded by the Municipality in their mutual dealings, as envisaged in Schedules 1 par.5(2) and 2 par. 5(1) of the Municipal Systems Act.



CHAPTER 8 – AUDIT COMMITTEE REPORT

DRAFT

*Cape Winelands
District Municipality*

Audit Committee:

ANNUAL REPORT

**For the financial year
ended 30 June 2020**



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| | |
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REPORT BY THE CHAIRPERSON OF THE CWDM AUDIT AND PERFORMANCE COMMITTEE (THE COMMITTEE) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020.

1. INTRODUCTION

We are pleased to present our Annual Audit and Performance Committee Report for the financial year ended 30 June 2020.

The Audit and Performance Committee consisted of four independent members who are all appropriately qualified, who are financially literate and who are acquainted with the Risk Management and Performance Management disciplines.

The Audit and Performance Committee meets at least four times per annum as per the Committee terms of reference.

The committee held 7 (seven) meetings during the financial year under review.

Dates of Audit and Performance Committee meetings:

- 5 July 2019
- 29 August 2019 Special for AFS
- 20 September 2019 Special with AG
- 21 October 2019
- 25 November 2019 Special with AG
- 27 January 2020
- 15 May 2020 (committee met virtually via MS Teams)

The Audit and Performance Committee consists of:

| <u>Name of member</u> | <u>Number of Meetings Attended</u> |
|--------------------------------------|--|
| Ms R. Gani (Chair Person) - External | 7 out of 7 meetings attended |
| Advocate M Mdludlu - External | 6 out of 7 meetings attended (absent with apology) |
| Ms M Bond-Smith - External | 6 out of 7 meetings attended (absent with apology) |
| Mr M Grobler - External | 7 out of 7 meetings attended |

Other regular attendees were the following:

- Municipal Manager,
- Chief Financial Officer,
- Executive Director Infrastructure,
- Executive Director Community Development,
- Director IDP, Performance and Risk,
- Chief Audit Executive,
- Deputy Director ICT,
- Deputy Director Risk and Performance
- Auditor General,
- Western Cape Government,

2. AUDIT COMMITTEE RESPONSIBILITY

The Audit and Performance Committee has adopted appropriate formal terms of reference as its Audit Committee Charter and has regulated its affairs in compliance with this Charter.

The Charter is regularly updated and complies with principles of good governance and with the requirements of the Municipal Finance Management Act 53 of 2003.

In the conduct of its duties, the Audit and Performance Committee has performed the following activities:

- The quality and integrity of the financial reporting process,
- The system of internal control,
- The organisation's process for monitoring compliance with laws and regulations and code of conduct,
- Internal and External Audit functions,
- Performance Management,
- The risk management and governance process.
- The Audit Committee also served as the Performance Committee of the Cape Winelands District Municipality and in that respect evaluates and approves the quarterly reports from Internal Audit on performance as prescribed by legislation.
- The Head of Internal Audit attended and reported at all quarterly meetings of the Audit and Performance Committee.

3. REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2020, the Audit and Performance Committee convened seven times to discharge its statutory responsibilities. As an overview only, and not to be regarded as an exhaustive list, the committee carried out the following duties:

3.1 EVALUATION OF THE FINANCIAL STATEMENTS

The external audit was conducted by the Auditor-General. The Auditor-General presented its Audit Strategy and Scope during a special meeting held in November 2020 for the Municipality had applied the directive for late submission offered by AG.

The Audit Committee has reviewed:

- The draft annual financial statements,
- The appropriateness of accounting policies and practices,

The draft annual financial statements for the year ended 30 June 2020 were reviewed and scrutinized in detail (page by page) by the Committee and the Audit and Performance Committee gave input on 12 October 2020.

In discharging this exercise, the Audit and Performance Committee is satisfied with the skills and competence within the finance department at the Municipality.

3.2 ANNUAL REPORT

In addition to the annual financial statements, the draft Annual Report for the year ended 30 June 2020 were reviewed and commented on at the Audit and Performance Committee meeting held on 12 October 2020.

The draft annual performance management report was submitted to the Audit and Performance Committee for review on 12 October 2020.

The Annual Report for 2018/2019 demonstrates the municipality's ability to report on all aspects of performance for the aforementioned periods.

3.3 EFFECTIVENESS OF THE INTERNAL AUDIT UNIT

The Head of Internal Audit has a responsibility to the Audit and Performance Committee and has direct access to members of the Committee as well as the Chairperson of the Committee. The Head of Internal Audit reports functionally to the Chairperson of the Audit Committee and administratively to the Municipal Manager.

The Committee:

- Reviewed and approved the internal audit annual risk based audit plan for the 2020/2021 financial year and verified that it addressed the full spectrum of risks that was identified during the risk assessment that was completed in May 2020;
- Evaluated the independence, effectiveness and performance of the internal audit function and that the internal audit function has the necessary resources, standing and authority in the organization to discharge its duties. This was found to be satisfactory;
- The External Quality Assessment process started on 19 August 2020;
- An action plan to monitor the progress of the recommendations of the External Quality Assessment will be conducted by the Audit and Performance Committee.
- Reviewed and considered the quarterly reports from the Head of Internal Audit in respect of the progress made on the annual audit plan and of findings from internal control reviews;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;
- Reviewed and approved twelve audit reports;
 - o Supply Chain Management
 - o Governance review
 - o DORA review
 - o MFMA Compliance review
 - o OHASA review
 - o Annual Stock take for Auditor-General
 - o Risk Management

- The following planned audits for 2019/2020 could not be completed due to the Covid-19 lock down.
 - o IT – General controls
 - o Asset Management
 - o Budgetary control
 - o Human Resources Overtime
- In this regard the Audit and Performance Committee wishes to express its appreciation to the internal audit unit.

Internal Audit had one vacant post from January 2020 due to a resignation. The process to fill the post was postpone due to the lock down. The short listing for the post was done in July 2020 and interviews were held on 10 September 2020.

The Internal Auditor were appointed from 1 December.

3.4 PERFORMANCE MANAGEMENT

The Audit and Performance Committee has reviewed the quarterly Service Delivery and Budget Implementation Plan (SDBIP) reports for 2019/2020 which were submitted to the Committee by the Finance Department.

The Audit and Performance Committee is satisfied that the municipality was in compliance with all statutory requirements as well as 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, SDBIP and performance agreements.
- Performance indicators and targets which relate to strategic objectives are specific, measurable, achievable and relevant.
- The first quarter performance management audits were done by the Cape Winelands District Municipality's internal audit function and the report was submitted to the Committee.
- The second, third and fourth quarter performance management audits were done by EY and the reports were submitted to the Committee.
- In total, three quarterly Performance Management System reports were submitted to the Audit and Performance Committee for approval. EY reviewed the annual performance report.
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto.
- The Chairperson of the Audit and Performance Committee attended the annual performance evaluations of the section 56/57 appointments and was satisfied with the course of events.

3.5 RISK MANAGEMENT

The Audit and Performance Committee is responsible for determining the nature and extent of the significant risks the Cape Winelands District Municipality have to manage in order to achieve its strategic objectives.

The Audit and Performance Committee is well informed and satisfied with reports regarding the Status of Risk Management in Cape Winelands district Municipality.

The minutes and reports of the Fraud and Risk Management Committee (FARMCO) are presented to the Audit and Performance Committee on a quarterly basis.

A member of the Audit and Performance Committee also served on the Fraud and Risk Management Committee as an independent member.

The committee:

- Reviewed and ensured that the Internal Audit Plan is aligned to the risk profile of the CWDM;
- Reviewed the Fraud And Risk Management Committee's quarterly reports;
- Reviewed the Fraud and Risk Committee's charter that has been approved by Council.
- The committee fulfilled an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risks as it relates to financial reporting;
- Reviewed the amended risk and fraud policy prior to submission for approval to Council.
- Reviewed the 2019/2020 financial year draft risk register;

The Audit and Performance Committee is satisfied with the effectiveness of the risk management processes and systems through the Fraud and Risk Management Committee that was established and is functional. Identified risks were mitigated to an acceptable level. Monthly monitoring reports are submitted to Management.

3.6 INTERNAL CONTROL

The Audit and Performance Committee provided an objective overview of the operational effectiveness of the Cape Winelands District Municipality's systems of internal control.

Quarterly oversight reviews of the management reports (Section 52) tabled by the finance department and presented by the CFO. The accuracy, completeness and timeliness of these reports indicated no deficiency in capacity, resources or controls within the finance department.

From the various reports of the internal audit unit, the report on the annual financial statements by the Auditor-General and the Auditor-General's management report, it was noted that no matters were reported that indicated any material deficiencies in the system of internal controls or any deviations there from.

3.7 EFFECTIVENESS OF GOVERNANCE

The Audit and Performance Committee reviewed the performance report of the municipality and the Audit and Performance Committee is satisfied with effectiveness of governance on the basis that performance of Senior Managers was assessed during the year.

3.8 IT GOVERNANCE

The Audit and Performance Committee is responsible as an independent advisory body to advise on Information and Technology matters and is closely monitoring the progress and implementation of the Municipal Corporate Governance of Information and Communication Technology Framework.

The Audit and Performance Committee also reviewed the ICT Committee's quarterly reports.

The ICT Manager reports to the Audit and Performance Committee on a quarterly basis on the progress that has been made on the Auditor-General and Internal Audit findings.

3.9 COMBINED ASSURANCE FRAMEWORK

Formal engagements occurred between the Audit and Performance Committee, Management, Council, Internal Audit and the Auditor-General during the year. These engagements continue to be regularized and developed in order to strengthen and enhance the combined assurance model of the municipality.

4. AUDITOR-GENERAL

The Audit and Performance Committee has met with the Auditor-General to discuss the audit plan, strategy and presentation of their draft Management and audit reports for the 2019/2020 financial year.

The Audit and Performance Committee also provide oversight over the Auditor-Generals action plan.

The Audit and Performance Committee concurs with and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements and the reported predetermined objectives be accepted and read together with the report of the Auditor-General.

The Audit and Performance Committee will monitor the progress and implementation of the recommendations made by the Auditor-General to management.

The Audit and Performance Committee would like to thank the Municipality for the cooperation and dedication shown during a challenging and unprecedented year.

The Audit and Performance Committee hereby congratulates the Council on their 7th consecutive clean audit outcome and is proud to be associated with Cape Winelands District Municipality.



Chairperson: Audit and Performance Committee

26 February 2021

CHAPTER 9 – OVERSIGHT REPORT AND COUNCIL APPROVAL

DRAFT



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

MPAC/OVERSIGHT

REPORT

2019/20

FINANCIAL YEAR

1. OBJECTIVE

To submit to Council, in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), the Oversight Report on the Annual Report, covering Cape Winelands District Municipality (CWDM) in respect of the 2019/2020 financial year.

2. BACKGROUND

The 2019/2020 Draft Annual Report was tabled in Council on 25 March 2021, reporting on the Cape Winelands District Municipality's performance for the period from 01 July 2019 until 30 June 2020. The aforementioned report was set out for public comment from 31 March 2021.

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 9 months after the end of the financial year, i.e. by the end of March 2021.

The Council of the Cape Winelands District Municipality (CWDM) is furthermore required to engage with, and finalise the Annual Report within 11 months after the end of the financial year, which is before 31 May 2021.

The process for the finalisation and approval of the 2019/2020 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 October 2020 |
| Receipt of final audit report from Auditor-General | MFMA Section 126(3)(b) | 19 April 2021 |
| Tabling of Draft Annual Report in Council by Executive Mayor | MFMA Section 127(2) | 25 March 2021 |
| Allowing for comment (written submission) by the community and relevant state organs | MFMA Section 127(5)(a) & (b) | 30 April 2021 |
| Allowing verbal comment and oversight on annual report by the Oversight Committee | MFMA Section 130 (5)(a) & (b) | 30 April 2021 |
| Consideration and adoption of Annual Report and Oversight Report by Council | MFMA Section 129(1) | 27 May 2021 |
| Submission of Annual Report and Oversight Report to AG, Provincial Treasury and MEC: Local Government | MFMA Section 129(2)(b) | 31 May 2021 |
| Communication of final Annual Report / Oversight Report (Website, hard copies and other mediums) | MFMA Section 129(3) | 31 May 2021 |

3. APPOINTMENT AND MANDATE OF THE OVERSIGHT COMMITTEE

MFMA Circular 32 of 2006 prescribes the Oversight Process and the establishment of an Oversight Committee. The Municipal Council appointed its Oversight Committee in terms of Section 79 of the Local Government: Municipal Structures Act, Act 117 of 1998 at an urgent Council meeting on the 27 October 2016 as follows:

1. That the Cape Winelands District Municipality Oversight Committee is constituted as follows and is a multi-party committee:

| No. | Name of committee member | Designation | Party |
|-----|--------------------------|-----------------------------|-------|
| 1. | Crombie, A. | Councillor | DA |
| 2. | Daniels, P. (Secundi) | Councillor | DA |
| 3. | Du Toit, R. | Councillor | DA |
| 4. | Fredericks, G.J. | Councillor | DA |
| 5. | Hess, P (Secundi) | Councillor | DA |
| 6. | Kalipa, X. | Councillor | DA |
| 7. | Klaas, M.T. | Councillor | EFF |
| 8. | Magqazana, S.S. | Councillor | DA |
| 9. | Mouton, J.S. (Secundi) | Councillor | ANC |
| 10. | Ntshingila, B.B. | Councillor (Chairperson) | ANC |
| 11. | Qankqiso, E. (Secundi) | Councillor | DA |
| 12. | Rens, S.C. (Secundi) | Councillor | ANC |
| 13. | Qoba, L.N. | Councillor | ANC |
| 14. | Snyders,D.R.A. (Secundi) | Councillor | EFF |
| 15. | Steyn,C. (Secundi) | Councillor | DA |
| 16. | Tetana, N. (Secundi) | Councillor | ANC |
| 17. | Van Rooyen,J.J. | Councillor | ANC |
| 18. | Vrolick, W. (Secundi) | Councillor | DA |
| 19. | Wilskut,C.F. | Councillor | BO |
| 20. | Masoka, Z.L. | 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. 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 2019/2020 Draft Annual Report on 25 March 2021, in line with Section 127(5) of the MFMA, Cape Winelands District Municipality (CWDM) allowed for public comments regarding the 2019/2020 Draft Annual Report from 31 March 2021 until 30 April 2021.

The draft Annual Report was made available on the municipal website, and also to the six Municipal Offices (Stellenbosch, Worcester, Paarl, Ceres, Montagu and

Robertson). In addition, the Draft Annual Report was made available to the following offices:

- The Office of the Auditor-General
- The Provincial Treasury
- The MEC for Local Government

The Accounting Officer (Municipal Manager) of Cape Winelands District Municipality attended the Council meeting on 25 March 2021 where the Annual Report was tabled. The Accounting Officer (Municipal Manager) attended the MPAC meeting on 18 May 2021 where the Oversight Report was to be discussed. The meeting could not continue as there was no quorum.

5. KEY COMMENTS AND RESPONSES

Circular 32 of the National Treasury recommends that the summary of key issues raised by the community, Auditor-General and other spheres of government, be detailed in the Oversight Report. In addition, the Circular proposed that responses to questions raised in written representations be captured in the Oversight Report. This section summarises the key questions and comments from the Auditor-General, the District Municipality's Audit Committee, the Council, as well as the responses by the District Municipality's Executive Management. Refer to Annexures A-D.

6. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The 2019/2020 Annual Report and Oversight Report have been prepared in compliance with the provisions of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and conform to the guidelines in Circular 32 issued by National Treasury.

7. COMMUNICATIONS IMPLICATIONS

The full text of the 2019/2020 Annual Report and Oversight Report will be distributed to the MEC: Local Government, Provincial Treasury, the Auditor-General and Provincial Legislature. The full text will also be published on Cape Winelands District Municipality's website.

8. RECOMMENDATION: That -

- (a) Council, having considered the 2019/2020 Annual Report of the Cape Winelands District Municipality (CWDM), adopts the Oversight Report in terms of section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA);
- (b) The minutes of the meetings where the Annual Report was discussed, in the presence of the Accounting Officer be submitted to the Auditor-General, the Provincial Treasury, and the Western Cape Department of Local Government, as attached to the report, in terms of Section 129(2) of the MFMA;
- (c) The 2019/2020 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA.
- (e) The 2019/2020 Oversight Report of Cape Winelands District Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.

9. CONCLUSION

The Committee unanimously accepts that the 2019/2020 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA. Furthermore, I would like to commend the Municipality on its performance, especially the achievement of a clean audit as well as the improvement on deviations.

I would like to thank the members of the Oversight Committee and all officials who participated in the 2019/20 Oversight Process for their time and cooperation. The process was successful and enabled the Committee to identify areas that will enable the Municipality to maintain its clean audit and to improve on areas identified. It was observed by the oversight committee that a spirit of improved cooperation by the administration was observed which we are extremely thankful for.

I am of the opinion that the 2019/20 Annual Report accurately reflects the performance of the Municipality for the year under review and recommend that the Council approve the 2019/20 Annual Report without reservations.

C. Meyer, Speaker

Ms C. MEYER

SPEAKER (ON BEHALF OF COUNCIL)

27 May 2021

ANNEXURE 'A'

AUDIT ACTION PLAN

Cape Winelands District Municipality Audit Action Plan 2019/2020

Corrected Findings

| Classification | Based on AG finding | Proposed Corrective Action | Corrected 2019/2020 | Responsible person | Progress on Implementation | Priority Rating | Due Date | COMAF | Page Ref MR |
|---------------------------------|---|--|---------------------|--------------------|---|-----------------|-----------|---------|-------------|
| Supply Chain Management | | | | | | | | | |
| Non-compliance with Legislation | Non-compliance with Municipal Supply Chain Management Regulations | It is recommended that going forward management should review and update the Supply Chain Management policy in a timely manner in order to detect and prevent non-compliance with Municipal Supply Chain Management Regulations. | Yes | R Leo | The Supply Chain Management policy was reviewed as part of the 2020/2021 budget process. Council meeting 26 March 2020 resolved to adopt for public participation, inspection, public representations, inputs and comment. | H | 31-May-20 | ComAF 1 | |

ANNEXURE 'B'

KEY COMMENTS: COMMUNITY AND ORGANS OF STATE

KENNISGEWING

KONSEP-2019/2020 JAARVERSLAG

**KONSEP- VIERDE HERSIENING VAN DIE
2017/2018 TOT 2021/2022 GEÏNTEGREERDE
ONTWIKKELINGSPLAN (GOP)**

**KONSEP-2021/2022 TOT 2023/2024
VEELJARIGE MEDIUMTERMYNKOMSTE-EN-
UITGAWERAAMWERK (MTIUR) EN
DIENSLIEWERING- EN
BEGROTINGSIMPLEMENTERINGSPLAN (DLBIP)**

Kennisgewing geskied hiermee ingevolge artikels 22(a), 121 en 129(3) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) en regulasie 3(4)(b) van die Plaaslike Regering: Munisipale Beplanning- en Prestasiebestuursregulasies, 2001, saamgelees met artikel 21(A) van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No. 32 van 2000), dat die Raad by Item R.15.1 van 25 Maart 2021 die konsep- vierde hersiening van die 2017/2018 tot 2021/2022 Geïntegreerde Ontwikkelingsplan (GOP), die konsep-2021/2022 tot 2023/2024 Veeljarige Mediumtermyninkomste-en-Uitgaweraamwerk (MTIUR) vir die Kaapse Wynland Distriksmunisipaliteit (KWDM), asook die Dienslewering- en Begrotingsimplementeringsplan (DLBIP) goedgekeur het.

Kennisgewing geskied verder hiermee ingevolge artikel 21A van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No. 32 van 2000) saamgelees met artikel 127(5)(a) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) dat die konsep-2019/2020 Jaarverslag op 25 Maart 2021 by Item R.14.1 aan die Raad voorgelê is.

Die konsep- vierde hersiening van die 2017/2018 tot 2021/2022 Geïntegreerde Ontwikkelingsplan (GOP), die konsep-2021/2022 tot 2023/2024 Veeljarige Mediumtermyninkomste-en-Uitgaweraamwerk (MTIUR), die Dienslewering- en Begrotingsimplementeringsplan (DLBIP) asook die konsep-2019/2020 Jaarverslag is ter insae beskikbaar by die ondergemelde kantore van die Kaapse Wynland Distriksmunisipaliteit (KWDM), asook op die Kaapse Wynland Distriksmunisipaliteit (KWDM) se webwerf by www.capewinlands.gov.za:

- Stellenbosch (Du Toitstraat 29): Me. A.I. Issel
- Worcester (Trappesstraat 51): Me. R.V.F. Robinson
- Paarl (Hoofstraat 194): Me. M. Marang
- Ceres (Munnikstraat 27): Me. C. Louw
- Robertson (Van Reenenstraat 40): Mnr. N.L. Wehr
- Montagu (Badstraat 50A): Me. C.E. Marais.

Openbare vertoë, insette en kommentaar oor die konsep- vierde hersiening van die 2017/2018 tot 2021/2022 Geïntegreerde Ontwikkelingsplan (GOP), die konsep-2021/2022 tot 2023/2024 Veeljarige Mediumtermyninkomste-en-Uitgaweraamwerk (MTIUR), die Dienslewering- en Begrotingsimplementeringsplan (DLBIP) en/of die konsep-2019/2020 Jaarverslag wat op 27 Mei 2021 vir goedkeuring deur die Raad oorweeg sal word, moet die Kantoor van die Munisipale Bestuurder voor 12:00 op Vrydag, 30 April 2021 bereik.

Enige persoon wat nie kan lees of skryf nie, persone met gestremdhede en mense uit benadeelde groepe wat nie in staat is om skriftelike kommentaar te lewer oor die konsep- vierde hersiening van die 2017/2018 tot 2021/2022 Geïntegreerde Ontwikkelingsplan (GOP), die konsep-2021/2022 tot 2023/2024 Veeljarige Mediumtermyninkomste-en-Uitgaweraamwerk (MTIUR), die Dienslewering- en Begrotingsimplementeringsplan (DLBIP) en/of die konsep-2019/2020 Jaarverslag nie, kan die hulp van bogemelde persone aanvra om hulle insette of kommentaar aan te teken en aan die Distriksmunisipaliteit voor te lê.

Navrae kan gerig word aan: Munisipale Bestuurder, Kaapse Wynland Distriksmunisipaliteit, Posbus 100, Stellenbosch, 7599, telefoon 0861 265 263, faks 023 342 8442 of per e-pos: admin@capewinlands.gov.za

**HF PRINS
MUNISIPALE BESTURDER**

**Kaapse Wynland
Distriksmunisipaliteit
Alexanderstraat 46
Stellenbosch 7600**



KAAPSE WYNLAND DISTRIKS
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NOTICE

DRAFT 2019/2020 ANNUAL REPORT

**DRAFT FOURTH REVIEW OF THE 2017/2018 TO
2021/2022 INTEGRATED DEVELOPMENT
PLAN (IDP)**

**DRAFT 2021/2022 TO 2023/2024 MULTI-YEAR
MEDIUM TERM REVENUE AND EXPENDITURE
FRAMEWORK (MTREF) AND SERVICE DELIVERY
AND BUDGET IMPLEMENTATION PLAN (SDBIP)**

Notice is hereby given in terms of sections 22(a), 121 and 129(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and regulation 3(4)(b) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 read together with section 21(A) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) that Council at Item C.15.1 of 25 March 2021, approved the draft fourth review of the 2017/2018 to 2021/2022 Integrated Development Plan (IDP), the draft 2021/2022 to 2023/2024 Multi-year Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality (CWDM) as well as the Service Delivery and Budget Implementation Plan (SDBIP).

Notice is further given in terms of section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), read with section 127(5)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) that the draft 2019/2020 Annual Report was tabled in the Council at Item C.14.1 of 25 March 2021.

The draft fourth review of the 2017/2018 to 2021/2022 Integrated Development Plan (IDP), the draft 2021/2022 to 2023/2024 Multi-year Medium Term Revenue and Expenditure Framework (MTREF), the Service Delivery and Budget Implementation Plan (SDBIP) as well as the draft 2019/2020 Annual Report are available for inspection at the below-mentioned offices of the Cape Winelands District Municipality (CWDM) as well as on the Cape Winelands District Municipality (CWDM) website at www.capewinlands.gov.za:

- Stellenbosch (29 Du Toit Street): Ms. A.I. Issel
- Worcester (51 Trappes Street): Ms. R.V.F. Robinson
- Paarl (194 Main Street): Ms. M. Marang
- Ceres (27 Munnik Street): Ms. C. Louw
- Robertson (40 Van Reenen Street): Mr. N.L. Wehr
- Montagu (50A Bath Street): Ms. C.E. Marais.

Public representations, inputs and comments on the draft fourth review of the 2017/2018 to 2021/2022 Integrated Development Plan (IDP), the draft 2021/2022 to 2023/2024 Multi-year Medium Term Revenue and Expenditure Framework (MTREF), the Service Delivery and Budget Implementation Plan (SDBIP) and/or the draft 2019/2020 Annual Report that will be considered for approval by the Council on 27 May 2021, must reach the Office of the Municipal Manager before 12:00 on Friday, 30 April 2021.

Any person who cannot read or write, people living with disabilities and people from disadvantaged groups who are unable to submit written comments on the draft fourth review of the 2017/2018 to 2021/2022 Integrated Development Plan (IDP), the draft 2021/2022 to 2023/2024 Multi-year Medium Term Revenue and Expenditure Framework (MTREF), the Service Delivery and Budget Implementation Plan (SDBIP) and/or the draft 2019/2020 Annual Report, may seek the assistance of the persons indicated above, to have their input or comments recorded and submitted to the District Municipality.

Enquiries may be directed to: Municipal Manager, Cape Winelands District Municipality, P.O. Box 100, Stellenbosch, 7599, telephone 0861 265 263, fax 023 342 8442 or via e-mail: admin@capewinlands.gov.za

**HF PRINS
MUNICIPAL MANAGER**

**Cape Winelands
District Municipality
46 Alexander Street
Stellenbosch 7600**



CAPE WINELANDS DISTRICT
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ISAZISO

**INGXELO YONYAKA ESAQULUNQWAYO
YOWAMA-2019/2020**

**UVAVANYO KWAKHONA LWESINE OLUSAQULUNQWAYO
LOWAMA-2017/2018 UKUYA KOWAMA-2021/2022
LWESICWANGCISO SOPHUHLISO ESIHLANGENEYO (IDP)**

**ISICWANGCISO-NKQUBO ESIYILWAYO SESITHUBA
ESIPHAKATHI SENGENISO NENKICITHO
(MTREF) SEMINYAKA YAMA-2021/2022 UKUYA
KOWAMA-2023/2024 KUNYE NESICWANGCISO
SONIKEZELO LWENKONZO NOMILISELO LOHLAHO
LWABIWO-MALI (SDBIP)**

Ukwenjenje kukunika isaziso ngokungqinelana namacandelo 22(a), u-121 no-129(3) omthetho uMthetho kaRhulumente woLawulo lweMali kaMasipala, 2003 (uMthetho No. 56 ka-2003) kunye nommiso 3(4)(b) wemimiselo uMasipala: iMimiselo yoCwangciso lukaMasipala noLawulo lokuSebenza, 2001 ofundwa kunye necandelo 21(A) lomthetho uMasipala: uMthetho weeNkqubo zikaMasipala, 2000 (uMthetho onguNombolo 32 wama-2000) ukuba iBhunga kuMba C.15.1 ngowama-25 kuMatshi 2021, sivume uyilo lwesine lokuphononngwa kwesicwangciso sika-2017/2018 ukuya ku-2021/2022 esiCwangciso soPhuhliso oluHlanganisiweyo (IDP), idrafti yowama-2021/2022 ukuya kowama-2023/2024, unyaka-mali wamaKhesha aPhakathi kunye neNkqubo-sikhokelo yeNkcitho (MTREF) kaMasipala weSithili seCape Winelands (CWDM) ngokunjalo nesicwangciso sokuPhunyezwa kokuNikezelwa kweNkonzo kunye noHlahlo lwabiwo-mali (SDBIP).

Kunikwa isaziso esingaphezulu ngokungqinelana necandelo 21A lomthetho uMasipala: uMthetho weeNkqubo zikaMasipala, 2000 (uMthetho No. 32 ka-2000), ofundwa kunye necandelo 127(5)(a) lomthetho uMasipala: uMthetho woLawulo lweMali kaMasipala, 2003 (uMthetho No. 56 ka-2003) sokuba ingxelo yoNyaka esayilwayo ka-2019/2020 yandlalwa kwiBhunga kuMba C.14.1 ngowama-25 kuMatshi 2021.

Uvavanyo kwakhona oluluyilo lwesine lowama-2017/2018 ukuya kowama-2021/2022 i-isiCwangciso esiHlangeneyo soPhuhliso (IDP), isicwangciso-nkqubo esiyilwayo wama-2021/2022 ukuya kowama-2023/2024 umgaqo-sikhokelo ojongene nenkcitho isiCwangciso-nkqubo seNgeniso neNkcitho seSithuba esiPhakathi seMinyaka ngeMinyaka (MTREF), isiCwangciso sokuNikezelwa kweNkonzo noMiliselo loHlahlo lwabiwo-mali (SDBIP) kwakunye neNgxelo yoNyaka esayilwayo yowama-2019/2020 iyafumaneka ukwenzela ukuba ibekwe esweni kwii-ofisi ezikhankanywe ngezantsi kuMasipala wesiThili saseCape Winelands kwakunye nakwiwebhusayithi apha kuMasipala wesiThili saseCape Winelands (CWDM) kule dilesi www.capewinlands.gov.za:

- Stellenbosch (29 Du Toit Street): Nks. A.I. Issel
- Worcester (51 Trappes Street): Nks. R.V.F. Robinson
- Paarl (194 Main Street): Nks. M. Marang
- Ceres (27 Munnik Street): Nks. C. Louw
- Robertson (40 Van Reenen Street): Mnu. N.L. Wehr
- Montagu (50A Bath Street): Nks. C.E. Marais.

Amaxwebhu ovalakiso-zimvo zoluntu, amagqabantshintshi namagalelo amakaliso novavanyo ngokutsha olusayilwayo lwesine lowama-2017/2018 ukuya kwisicwangciso sowama-2021/2022 isiCwangciso esiHlangeneyo soPhuhliso (IDP), isicwangciso-nkqubo esiyilwayo sowama-2021/2022 ukuya kowama-2023/2024 isiCwangciso-nkqubo seNgeniso neNkcitho seSithuba esiPhakathi seMinyaka ngeMinyaka (MTREF), isiCwangciso sokuNikezelwa kweNkonzo noMiliselo loHlahlo lwabiwo-mali (SDBIP) kunye neNgxelo yoNyaka esayilwayo yowama-2019/2020 aya kunikwa ingqwalaselo yokuvunywa ngokusesikweni liBhunga ngowama-27 kuMeyi 2021, kufuneka afike kwiiOfisi yoLawulo kaMasipala phambi kwentsimbi ye-12:00 emini emaqanda ngolwesiHlanu, wama-30 ku-Apreli 2021.

Nawuphi na umntu ongakwaziyo ukufunda okanye ukubhala, abantu abakubhazeko kunye nabantu abasuka kumaqela ayevinjwe amathuba ngaphambili abangenako ukungenisa amagqabantshintshi abhaliweyo ngokumalunga novavanyo ngokutsha olusayilwayo lwesine lowama-2017/2018 ukuya kowama-2021/2022 isiCwangciso esiHlangeneyo soPhuhliso (IDP), uyilo lowama-2021/2022 ukuya kowama-2023/2024 isiCwangciso-nkqubo seNgeniso neNkcitho seSithuba esiPhakathi seMinyaka ngeMinyaka (MTREF), isicwangciso isiCwangciso sokuNikezelwa kweNkonzo noMiliselo loHlahlo lwabiwo-mali (SDBIP) kunye/okanye iNgxelo yoNyaka esayilwayo yowama-2019/2020, unokufuna uncedo kubantu abahlalwe ngezantsi, ukwenzela ukuba amagalelo abo okanye amagqabantshintshi arekhodwe yaye angeniswe kuMasipala weSithili.

Imibuzo inokubhekiswa kulo-: Municipal Manager, Cape Winelands District Municipality, P.O. Box 100, Stellenbosch, 7599, ifoni 0861 265 263, ifekisi 023 342 8442 okanye i-imeyili: admin@capewinlands.gov.za

**H.F. PRINS
UMLAWULI KAMASIPALA**

**UMasipala wesiThili saseCape
Winelands
46 Alexander Street
Stellenbosch 7600**



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNICIPALITEIT • UMASIPALA

The Municipal Manager
Cape Winelands District Municipality
PO Box 100
STELLENBOSCH
7599

For Attention: The Municipal Manager, Mr H Prins

PROVINCIAL TREASURY COMMENTS ON THE TABLED 2019/20 ANNUAL REPORT

1. INTRODUCTION

Section 121(1) of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) states that every municipality and every municipal entity must prepare an annual report for each financial year. The council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.

National Treasury has further introduced the new annual report template and MFMA Circular No. 63 on 26 September 2012. MFMA Circular 63 aims to provide guidance to municipalities and municipal entities on the Annual Report format and its contents.

The municipal council is then obliged to consider any views of the local community; the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the Annual Report.

Cognisance of the prolonged impact of COVID-19 on municipal planning, budgeting and reporting efforts, the National Minister of Finance (through proclamation in Government Gazette No. 43582) provided a 2-month extension to Section 126(1) & (2), S127(1) & (2), 129(1) and S133(2) of the MFMA insofar it relates to the 2019/20 municipal financial year. The deadline for the mayor to table the (draft) annual report in council therefore shifted from the prescribed seven (7) months [S127(2)] to nine (9) months i.e. not the end of January 2021, but the end of March 2021. The revised timeframes were communicated to all municipalities via MFMA Circular No 104 of 2020 (7 August 2020).

Provincial Treasury reminded all municipalities of this responsibility on 14 January 2021 and reiterated the requirement in Treasury Circular No 5 of 2021 (17 March 2021).

2. LEGISLATIVE COMPLIANCE

The conformance assessment highlights compliance by the Municipality with the MFMA and MFMA Circular 63 as follows:

- a. The annual report was tabled before Council on 25 March 2021, which is within the deadline prescribed in MFMA Circular 104.
- b. The draft annual report was placed on the website within 5 days after tabling in council in accordance with section 75 of the MFMA.
- c. The public was invited to comment on the Annual Report by 30 April 2021.
- d. The tabled annual report was made available for public consideration via placement on the municipal website. The public was requested to make written and electronic submissions.
- e. The Municipality's tabled annual report has been compiled in line with the format proposed in MFMA Circular 63 and all required appendices have been included.

3. SERVICE DELIVERY PERFORMANCE

The Municipality's approved 2019/20 SDBIP contained a total of 38 performance indicators. During the adjustments budget process, the actual number of targets was revised to 33.

| Strategic Objective | Number of targets as per Adjusted SDBIP | Number of targets achieved | Number of targets <u>not</u> achieved |
|--|---|----------------------------|---------------------------------------|
| Creating an environment and forging partnerships that ensure social and economic development of all communities including the empowerment of the poor in the CWD | 11 | 10 | 1 |
| Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities | 9 | 5 | 4 |
| Providing effective and efficient financial and strategic support services to the CWD Municipality | 13 | 11 | 2 |
| TOTAL | 33 | 26 | 7 |

The Municipality achieved 26 out of the 33 (78.8 per cent) performance indicators set for the year under review. This equates to a 21.2 per cent variance between planned and actual performance. This is an improvement on the previous years' performance where the Municipality achieved 84.2 per cent of its targets.

The majority of targets not achieved are related to the SO2: 'Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities". 4 of the 9 targets set for the year were not achieved. The draft annual report does provide reasons for the variances and provides corrective measures that will be implemented to ensure improved performance going forward.

The non-achievement of certain targets due to the National lockdown implemented as a result of the Covid-19 pandemic is noted.

4. AUDITOR GENERAL FINDINGS

The Municipality has for the 2019/20 financial year achieved a clean audit report as well as for the previous 7 years.

5. CONCLUSION AND RECOMMENDATIONS

The Municipality adhered to all the requirements of the MFMA (and revised timeframes) insofar the timeous development, tabling and submission of the draft annual report is concerned.

Non-financial performance is has deteriorated from the previous year, however the impact of Covid-19 on performance is taken into account.

The annual report extensively covers strategic and technical performance data, information is presented in such a manner that allows for easy interpretation by industry role-players and the general public alike.

In conclusion, the Municipality is reminded of its responsibility to finalise and adopt the annual report and the oversight report by no later than two months from the date on which the annual report was tabled before council in terms of section 127 of the MFMA.

Kind regards



MS N RINQUEST

DIRECTOR (ACTING): LOCAL GOVERNMENT BUDGET OFFICE

DATE: 30 April 2021

Nangamso Sigwela

From: Elrina Marais
Sent: Monday, 03 May 2021 10:00
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Montagu Office - no comments

From: Nangamso Sigwela
Sent: 03 May 2021 09:58 AM
To: Myrtle Marang; Elrina Marais; Roxanne Robinson; Nayan Lendon Wehr; Christelle Louw; Adelaide Issel
Cc: Sean O'Neill
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality



0612845074



nangamso@capewinelands.gov.za

www.capewinelands.gov.za



CAPE WINELANDS
DISTRICT MUNICIPALITY - MIMBESIDA LETSI



REPORT WILD FIRE
021 887 444
CORONAVIRUS/COVID-19
HOTLINE: 0800 02
WHATSAPP: 060 01

Nangamso Sigwela

From: Myrtle Marang
Sent: Monday, 03 May 2021 10:00
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Good day Nangamso

Paarl Office have not yet receive any comments.

Kind regards

Myrtle

From: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Sent: Monday, 03 May 2021 09:58
To: Myrtle Marang <Myrtler@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Robinson <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Adelaide Issel <Adelaide@capewinlands.gov.za>
Cc: Sean O'Neill <Sean@capewinlands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director: Performance & Risk Management
Cape Winelands District Municipality



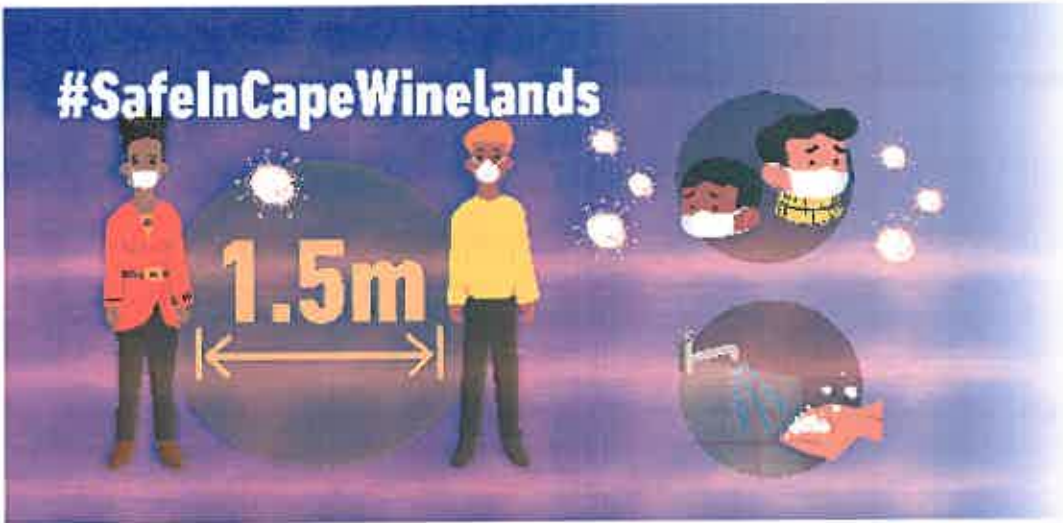
0612845074



nangamso@capewinlands.gov.za



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CAPE WINELANDS
W. NIC DALLITZ • W. JENNIFER • ETTI



REPORT WILD F
021 887 444
CORONAVIRUS/CO
HOTLINE: 0800 02
WHATSAPP: 060 01

Nangamso Sigwela

From: Christelle Louw
Sent: Monday, 03 May 2021 10:01
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning

Ceres received no comments.

Christelle

From: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Sent: Monday, 03 May 2021 9:58 AM
To: Myrtle Marang <Myrtler@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Robinson <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Adelaide Issel <Adelaide@capewinlands.gov.za>
Cc: Sean O'Neill <Sean@capewinlands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality



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0612845074



nangamso@capewinlands.gov.za



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CAPE WINELANDS
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**REPORT WILDLIFE
021 887 444**
**CORONAVIRUS/CORONA
HOTLINE: 0800 02
WHATSAPP: 0600 01**

Nangamso Sigwela

From: Roxanne Robinson
Sent: Monday, 03 May 2021 10:23
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Morning

None from my side

From: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Sent: Monday, 03 May 2021 09:58
To: Myrtle Marang <Myrtler@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Robinson <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Adelaide Issel <Adelaide@capewinlands.gov.za>
Cc: Sean O'Neill <Sean@capewinlands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality



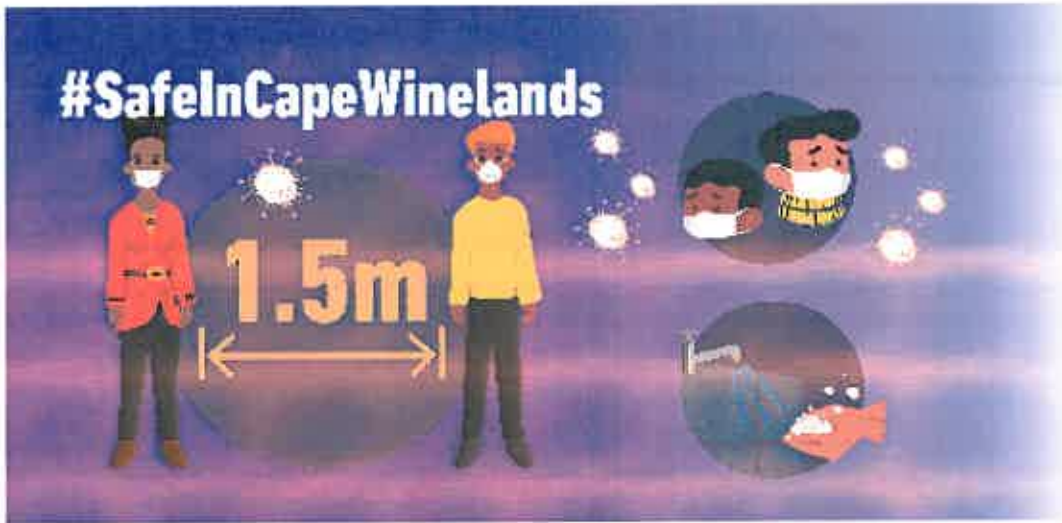
0612845074



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REPORT WILD FIRE
021 887 444
CORONAVIRUS?!
HOTLINE: 0800 02
WHATSAPP: 060 01

Nangamso Sigwela

From: Adelaide Issel
Sent: Monday, 03 May 2021 10:37
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Nothing.

From: Nangamso Sigwela <nangamso@capewinelands.gov.za>
Sent: Monday, 03 May 2021 09:58
To: Myrtle Marang <Myrtler@capewinelands.gov.za>; Elrina Marais <elrina@capewinelands.gov.za>; Roxanne Robinson <Roxanne@capewinelands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinelands.gov.za>; Christelle Louw <christelle@capewinelands.gov.za>; Adelaide Issel <Adelaide@capewinelands.gov.za>
Cc: Sean O'Neill <Sean@capewinelands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

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Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director: Performance & Risk Management
Cape Winelands District Municipality

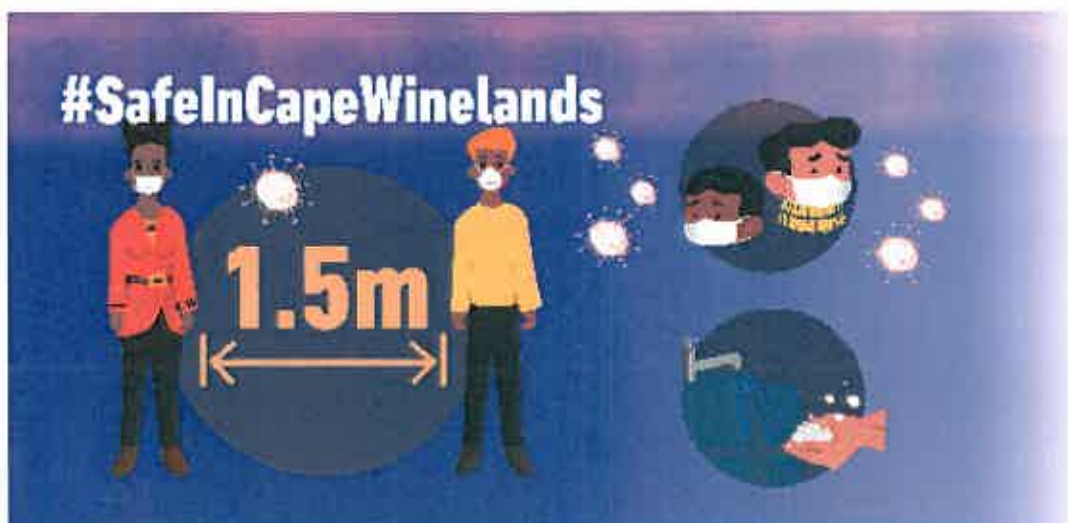


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CAPE WINELANDS
DISTRICT MUNICIPALITY



REPORT WILD FIRE
021 887 444
CORONAVIRUS/COVID-19
HOTLINE: 0800 02
WHATSAPP: 060 01

Nangamso Sigwela

From: Nayan Lendon Wehr
Sent: Monday, 03 May 2021 10:37
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Good morning Nangamso

I have not received any comments.

Kind regards

From: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Sent: Monday, 03 May 2021 09:58
To: Myrtle Marang <Myrtler@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Robinson <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Adelaide Issel <Adelaide@capewinlands.gov.za>
Cc: Sean O'Neill <Sean@capewinlands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality

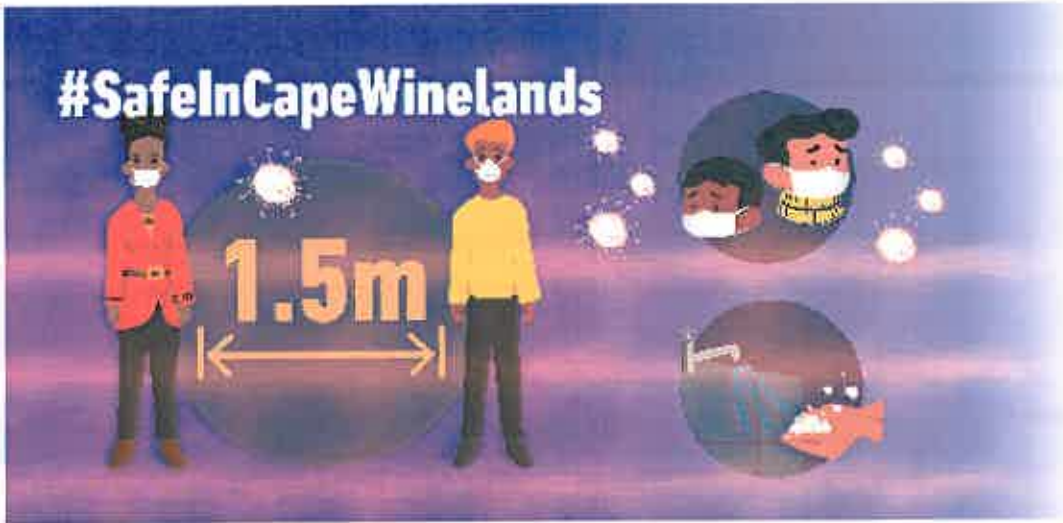


0612845074



nangamso@capewinlands.gov.za

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CAPE WINELANDS
W: 611 DALRY W: 611 DALRY & 1771



REPORT WILD F
021 887 444
CORONAVIRUS/CI
HOTLINE: 0800 02
WHATSAPP: 060 01

AG's Review of the 2019/2020 Draft Annual Report

Page Comments

- 2 table of content- the reference to 3.5 is not on indicated 3.1-3.4 and 3.6 has been documented
- 7 Roads gravelled should be 5.94 instead of 36.49 documented
resealing should be 36.49 instead of 7.44 documented
solar geysers installed should be 100 instead of 86 documented
- 10 Roads gravelled should be 5.94 instead of 36.49 documented
resealing should be 36.49 instead of 7.44 documented
solar geysers installed should be 100 instead of 86 documented
- 1.5 The **Grants** budgeted and adjusted amounts does not tie to page 9 on the audited AFS-
11 statement of budget- statement of financial performance
1.5.The actual, budgeted and adjusted amounts for **expenditure** does not tie to page 9 on the audited AFS- statement of budget- statement of financial performance
- 161 skill development levy is 1435 541 instead of 1 510 000 documented
The highlighted amounts are not the same as per statement of budget amounts on the
173 audited afs. This will also affect the percentages

| FINANCIAL SUMMARY | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Description | 2018/2019 | 2019/2020 | | | 2019/2020 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustment Budget |
| Financial Performance | | | | | | |
| Property Rates | - | | | | | |
| Service Charges | 136 065 | 200 000 | 200 000 | 111 143 | 44% | 44% |
| Investment Revenue | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | 1% | 2% |
| Transfers recognised - operational | 232 336 811 | 241 135 000 | 244 146 703 | 239 491 371 | 1% | 2% |
| Other own revenue | 125 611 079 | 143 470 045 | 141 470 790 | 119 987 972 | 16% | 15% |
| Total Revenue (excluding capital transfers and contributions) | 412 377 619 | 440 805 045 | 442 317 493 | 414 996 391 | 6% | 6% |
| Employee costs | 178 158 519 | 225 734 535 | 225 514 648 | 202 286 175 | 10% | 10% |
| Remuneration of Councillors | 12 171 102 | 13 267 830 | 13 322 726 | 12 610 029 | 5% | 5% |

| MEMORANDUM OF EXPLANATIONS | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------|--------------|
| Depreciation and asset impairment | 10 306 106 | 10 005 693 | 11 976 532 | 8 508 350 | 15% | 29% |
| Other expenditure | 158 664 127 | 194 777 002 | 184 626 245 | 144 822 496 | 26% | 22% |
| Total Expenditure | 359 299 854 | 443 785 060 | 435 440 151 | 368 227 050 | 17% | 15% |
| Surplus/(Deficit) | 53 077 765 | (2 980 015) | 6 877 342 | 46 769 341 | 1669% | -580% |
| Transfers recognised - capital | - | 6 427 500 | 1 241 743 | 136 237 | | |
| (Loss)/Gain on disposal of assets and | | | | | | |

5.6 The highlighted amounts are not the same as per statement of budget amounts on the 177 audited afs. This will also affect the percentages

| | | | | | |
|--|-------------|-------------|-------------|-------------|------|
| Service charges - refuse revenue | | | | | |
| Service charges - other | 136 065 | 200 000 | 200 000 | 111 143 | 44% |
| Rental of facilities and equipment | 248 345 | 131 000 | 240 000 | 229 975 | -76% |
| Interest earned - external investments | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | 1% |
| Interest earned - outstanding debtors | - | - | - | - | - |
| Dividends received | - | - | - | - | - |
| Fines | 0 | 0 | 69 750 | 69 750 | - |
| Licences and permits | - | 250 000 | 290 000 | 647 865 | - |
| Agency services | 110 343 115 | 128 201 955 | 125 329 000 | 107 750 201 | 16% |
| Transfers recognised - operational | 232 336 811 | 241 135 000 | 244 146 703 | 239 491 371 | 1% |
| Other income | 15 019 619 | 14 887 090 | 15 542 040 | 11 290 180 | 24% |

cash flow- all the amounts on the original budget column is not as per audited amounts as 179 per the statement of budget- cash flow

AC report

Par 3.1- last bullet is not applicable as there was no adjustments from the audit

2

- Significant adjustment resulting from the audit.

185 no report as yet as its stated it will be available in May

The highlighted amounts are not the same as per statement of budget amounts on the 209 audited afs. This will also affect the percentages

| | | | | | |
|---|-------------|-------------|-------------|-------------|----|
| Service charges – other | 136 065 | 200 000,00 | 200 000,00 | 111 143 | |
| Rental of facilities and equipment | 248 345,00 | 131 000,00 | 240 000,00 | 229 975,00 | |
| Interest earned – external investments | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | |
| Interest earned – outstanding debtors | - | - | - | - | |
| Dividends received | - | - | - | - | |
| Fines | - | - | 69 750,00 | 69 750,00 | |
| Licences and permits | - | 250 000,00 | 290 000,00 | 647 865,24 | -1 |
| Agency services | 110 343 115 | 128 201 955 | 125 329 000 | 107 750 201 | |
| Transfers recognised – operational | 232 336 811 | 241 135 000 | 244 146 703 | 239 491 371 | |
| Other income | 15 019 619 | 14 887 090 | 15 542 040 | 11 290 180 | |
| Total Revenue | | | | | |
| (excluding capital transfers and contributions) | 412 377 619 | 440 805 045 | 442 317 493 | 414 996 391 | |

AFS

Note 45 (B-BBEE Performance) in the annual financial statements indicates that:

"Information on compliance with the B- BBEE Act is included in the annual report under the section B- BBEE Compliance Performance Information."

However the annual report does not have B-BBEE Compliance performance Information section.

ANNEXURE 'C'

COUNCIL MEETING MINUTES – 25 MARCH 2021

MPAC REVIEW OF 2019/2020 DRAFT ANNUAL REPORT AND
MANAGEMENT RESPONSE

| NO. | QUESTION | MANAGEMENT RESPONSE |
|-----|---|--|
| 1. | Is there an action plan to rectify the Auditor General's findings | Yes, see annexure A of the Oversight report. |

ANNEXURE 'D'

**MPAC REVIEW OF 2019/2020
DRAFT ANNUAL REPORT
(QUESTIONS AND FEEDBACK
FROM ADMINISTRATION)**

MPAC REVIEW OF 2019/2020 DRAFT ANNUAL REPORT AND
MANAGEMENT RESPONSE

| NO. | QUESTION | MANAGEMENT RESPONSE |
|-----|---|--|
| 1. | Is there an action plan to rectify the Auditor General's findings | Yes, see annexure A of the Oversight report. |

CAPE WINELANDS DISTRICT MUNICIPALITY

MINUTES OF A VIRTUAL COUNCIL MEETING OF THE CAPE WINELANDS DISTRICT MUNICIPALITY HELD ON THURSDAY, 27 MAY 2021 AT 11:07 VIA MICROSOFT TEAMS

PRESENT

(3/2/1/2)

COUNCILLORS

Ald. C. Meyer (Speaker)
Ald. (Dr.) H. von Schlicht (Executive Mayor)
Cllr. D. Swart (Deputy Executive Mayor)
Cllr. W.M. Blom
Cllr. N.M. Bushwana
Cllr. G.J. Carinus
Ald. A. Crombie
Cllr. C. Damens
Cllr. P. Daniëls
Ald. J.J. du Plessis
Cllr. R. du Toit
Cllr. A. Florence
Cllr. G.J. Fredericks
Cllr. D.D. Joubert
Cllr. X. Kalipa
Cllr. M.T. Klaas
Cllr. J. Kriel
Cllr. L. Landu
Cllr. S.S. Magqazana
Cllr. Z.L. Masoka
Cllr. J.S. Mouton
Cllr. L.W. Niehaus
Cllr. B.B. Ntshingila
Cllr. E. Qhankqiso
Cllr. L.N. Qoba
Cllr. P.C. Ramokhabi
Cllr. S.C. Rens
Cllr. L.S. Sambokwe
Cllr. N.D. Sauerman
Ald. J.W. Schuurman
Cllr. A.J. Shibili
Cllr. J. Smit
Cllr. D.R.A. Snyders
Cllr. C. Steyn
Cllr. N. Tetana
Cllr. J.J. van Rooyen
Cllr. J.D.F. van Zyl
Cllr. W. Vrolick
Cllr. T.M. Wehr

ABSENT

Cllr. R.S. Nalumango

OFFICIALS

Mr. H.F. Prins (Municipal Manager)
Ms. F.A. du Raan-Groenewald
Mr. F. van Eck
Mr. P.A. Williams
Ms. K. Smit
Ms. B.T. Daries
Mr. M.J. Lesch
Ms. G.C.N. Gilbert
Mr. C.J.M. Arangie
Ms. W.M. Neethling
Ms. N. Sigwela
Ms. N.J. Fortuin
Ms. E.J. Otto
Ms. R.A. Leo
Ms. J. Swanepoel
Mr. R. Zeelie
Ms. A.C. Roodt
Ms. C.B. Potgieter
Mr. D.A. Heath
Ms. I. Willemse

| | | |
|------------|----------------|------------------|
| C.1 | OPENING | (3/2/1/2) |
| R.1 | OPENING | (3/2/1/2) |
| C.1 | UKUVULA | (3/2/1/2) |

The Speaker welcomed all present and requested all present to bow their heads for a moment of silence.

Councillor G.J. Carinus opened the meeting with prayer.

- C.15.3 DRAFT ANNUAL REPORT FOR 2019/2020 OF THE CAPE WINELANDS DISTRICT MUNICIPALITY AND DRAFT OVERSIGHT REPORT FOR THE 2019/2020 FINANCIAL YEAR (3/2/5/5, 5/1/1/13 & 9/1/1)**
- R.15.3 KONSEP-JAARVERSLAG VIR 2019/2020 VAN DIE KAAPSE WYNLAND DISTRIKSMUNISIPALITEIT EN KONSEP-OORSIGVERSLAG VIR DIE 2019/2020 FINANSIËLE JAAR (3/2/5/5, 5/1/1/13 & 9/1/1)**
- C.15.3 INGXELO YONYAKA EYILWAYO YOWAMA-2019/2020 YOMASIPALA WESITHILI SASECAPE WINELANDS KUNYE NENGXELO YOKONGAMELA EYILWAYO ELUNGISELELWE UNYAKA-MALI WAMA-2019/2020 (3/2/5/5, 5/1/1/13 & 9/1/1)**
-

PURPOSE OF SUBMISSION

That Council consider to approve the draft Annual Report for 2019/2020 of the Cape Winelands District Municipality and the draft Oversight Report for the 2019/2020 financial year.

DOEL VAN VOORLEGGING

Dat die Raad oorweging daaraan skenk om die konsep-Jaarverslag vir 2019/2020 van die Kaapse Wynland Distriksmunisipaliteit en die konsep-Oorsigverslag vir die 2019/2020 finansiële jaar goed te keur.

INJONGO YONGENISO

Yeyokokuba iBhunga licamngce ngokwamkela iNgxelo yoNyaka eyilwayo yowama-2019/2020 yoMasipala wesiThili saseCape Winelands kunye neNgxelo yokoNgamela eyilwayo yonyaka-mali wama-2019/2020.

BACKGROUND

The draft Annual Report 2019/2020 is tabled in terms of sections 121 and 127 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), section 121(2), states that the purpose of the draft Annual Report is to provide a record of activities of Council during the financial year, and to provide a report on the performance against the budget for the financial year and to promote accountability to the local community for the decisions made throughout the year.

At Item C.14.1 of 25 March 2021 Council resolved that cognisance be taken of the draft Annual Report 2019/2020.

COMMENT

National Treasury's MFMA Circular No 104 dated 7 August 2020 was provided to all municipalities to provide information pertaining to the Ministerial Exemption issued in terms of section 171(1)(b) of the MFMA.

The Minister of Finance exempted municipalities and municipal entities from submitting key reports. The notice allows for a two-months' delay in the submission of Annual Financial Statements, Annual Reports, Audit Opinions, Oversight Reports and associated processes.

This exemption flows from the Minister of Cooperative Governance and Traditional Affairs' announcement of the National State of Disaster in order to enable government to manage the spread of the COVID-19 virus. Following the initial announcements of the National State of Disaster, subsequent extensions and different levels were communicated.

The reason for this Ministerial exemption is to mitigate anticipated widespread non-compliance with sections 126, 127, 129 and 133 of the MFMA due to the National State of Disaster and lockdown restrictions.

The extension enables municipalities and municipal entities to undertake all the necessary actions, checks and reviews, to ensure that the annual financial statements fairly present the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.

In accordance with section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) read together with section 127(5)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) –

- (a) The draft Annual Report for the 2019/2020 financial year was made public in the media for comments and representations;
- (b) The draft Annual Report for the 2019/2020 financial year was also made public on the website of the Cape Winelands District Municipality;
- (c) Hard copies of the draft Annual Report for the 2019/2020 financial year were also made available at the various offices of the Cape Winelands District Municipality for viewing and comment.

Comments received from the Auditor-General South Africa and the Western Cape Provincial Treasury were considered and amendments were made. No inputs from the public were received by the due date.

Attached as Annexure "A" is a copy of National Treasury's MFMA Circular No 104 dated 7 August 2020.

*** Included under separate cover in the agenda as Annexure "B" is a copy of the draft Annual Report 2019/2020.

IMPLICATIONS

PERSONNEL

None.

Comment prepared by: Ms. G.C.N. Gilbert

FINANCIAL

None.

Comment prepared by: Ms. F.A. du Raan-Groenewald

LEGAL

In terms of section 121(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the purpose of the annual report is-

- (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Annual reports must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, Budget, SDBIP, In-year reports, annual performance report and annual report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is a backward-looking document, focusing on performance in the financial year that has just ended, and it must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

The annual report of municipalities is governed by Chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). In terms of section 127(2) of the said Act, the mayor of a municipality must, within seven (7) months after the end of the financial year, table the annual report of the

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municipality in the municipal council.

Section 127(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that if the mayor, for whatever reason is unable to table in the council the annual report of the municipality, the mayor must promptly submit to the council a written explanation setting out the reasons for the delay, together with any components of the report that are ready and submit to council the outstanding report or the outstanding components of the annual report as soon as possible.

In terms of the Ministerial Exemption as contained in MFMA Circular No 104 dated 7 August 2020, municipalities are exempted from complying with the deadlines provided in sections 126(1) and (2), 129(1) and 133(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) for a period of two (2) months as reflected in the table below:

| ACTION | SECTION | NEW OUTER DEADLINE |
|--|-------------------------------|---------------------------|
| The accounting officer of a municipality must prepare the annual financial statements of the municipality, and within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. | Section 126(1)(a) of the MFMA | 31 October 2020 |
| ACTION | SECTION | NEW OUTER DEADLINE |
| The accounting officer of a municipality must in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. | Section 126(1)(b) of the MFMA | 30 November 2020 |
| The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality. | Section 127(2) of the MFMA | 31 March 2021 |
| The council of a municipality must consider the annual report of the municipality, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the | Section 129(1) of the MFMA | 31 May 2021 |

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27 May 2021

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

In terms of section 121(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the Annual Report must include-

- (a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);
- (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
- (c) the annual performance report of the Municipality prepared in terms of section 46 of the Municipal Systems Act;
- (d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;
- (e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;
- (f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the approved budget for the year;
- (g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
- (h) any explanations that may be necessary to clarify issues in connection with the financial statements;
- (i) any information as determined by the municipality;
- (j) any recommendations of the municipality's Audit Committee; and
- (k) any other information as may be prescribed.

In terms of section 130(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

The Oversight Report on the Annual Report is the final major step in the annual reporting process of a municipality. In terms of section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the council of a municipality must consider the annual report of the municipality and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether council:

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

According to MMFA Circular 32 dated 15 March 2006, the Oversight Report is thus clearly distinguished from the Annual Report. The Annual Report is submitted to Council by the Accounting Officer and the Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by Council.

It furthermore states that the Oversight Report is a report of Council and follows consideration and consultation on the Annual Report by Council itself. Thus, the full accountability cycle is completed and the separation of powers is preserved to promote effective governance and accountability.

In terms of section 130(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

Comment prepared by: Ms. W.M. Neethling

ADDITIONAL COMMENT

The meeting of the Municipal Public Accounts Committee (MPAC) scheduled for 18 May 2021 could not continue, as the meeting was not quorated.

RECOMMENDATION BY MUNICIPAL MANAGER:

That Council –

- (a) Takes cognisance of –
 - (i) The report on the draft Annual Report for 2019/2020 by the Chairperson of the Audit Committee as contained in the draft Annual Report;

- (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2020 as contained in the draft Annual Report;
- (b) Consider to approve –
- (i) The draft Annual Report for 2019/2020 of the Cape Winelands District Municipality, attached as Annexure “A” to the agenda item;
 - (ii) The draft Oversight Report for the 2019/2020 financial year without reservations.

AANBEVELING DEUR MUNISIPALE BESTUURDER:

Dat die Raad –

- (a) Kennis te neem van –
- (i) Die verslag oor die konsep-Jaarverslag vir 2019/2020 deur die Voorsitter van die Ouditkomitee soos vervat in die konsep-Jaarverslag;
 - (ii) Die verslag van die Ouditeur-Generaal oor die finansiële state van die Kaapse Wynland Distriksmunisipaliteit vir die jaar geëindig 30 Junie 2020 soos vervat in die konsep-Jaarverslag;
- (b) Oorweeg om die volgende goed te keur –
- (i) Die konsep-Jaarverslag vir 2019/2020 van die Kaapse Wynland Distriksmunisipaliteit, ingesluit onder aparte omslag as Bylae “A” by die agenda-item;
 - (ii) Die konsep-Oorsigverslag vir die 2019/2020 finansiële jaar, sonder voorbehoud.

INGCEBISO EVELA KUMLAWULI KAMASIPALA:

Okokuba iBhunga –

- (a) Lithabathele ingqalelo –
- (i) Yokokuba iNgxelo yoNyaka eyilwayo yowama-2019/2020 eyenziwe nguSihlalo weKomiti yoPhicotho-zincwadi njengoko kuqulathwe kwiNgxelo yoNyaka eyilwayo;
 - (ii) Ingxelo yoMphicothi-zincwadi Jikelele ngeengxelo zemali zoMasipala wesiThili saseCape Winelands ezilungiselelwe unyaka ophela ngomhla wama-30 kuJuni 2020 njengoko kuqulathiwe kwiNgxelo yoNyaka eyilwayo;

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(b) Lamkele –

- (i) INgxelo yoNyaka eyilwayo yowama-2019/2020 yoMasipala wesiThili saseCape Winelands, njengoko incanyatheliswe njengeSihlomelo “A” kumba we-ajenda;
- (ii) INgxelo yokoNgamela eyilwayo yonyaka-mali wama-2019/2020 ngaphandle kwamathandabuzo.

COUNCIL MEETING: 27 MAY 2021: ITEM C.15.3

RESOLVED (Unanimously 36 Councillors) : That –

(a) Cognisance be taken of –

- (i) The report on the draft Annual Report for 2019/2020 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
- (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2020 as contained in the draft Annual Report;

- (b) The following be approved –
- (i) The draft Annual Report for 2019/2020 of the Cape Winelands District Municipality, attached as Annexure “A” to the agenda item;
 - (ii) The draft Oversight Report for the 2019/2020 financial year without reservations.

RAADSVERGADERING: 27 MEI 2021: ITEM R.15.3

BESLUIT (Eenparig 36 Raadslede): Dat –

- (a) Kennis geneem word van –
- (i) Die verslag oor die konsep-Jaarverslag vir 2019/2020 deur die Voorsitter van die Ouditkomitee soos vervat in die konsep-Jaarverslag;
 - (ii) Die verslag van die Ouditeur-Generaal oor die finansiële state van die Kaapse Wynland Distriksmunisipaliteit vir die jaar geëindig 30 Junie 2020 soos vervat in die konsep-Jaarverslag;
- (b) Die volgende goedgekeur word –
- (i) Die konsep-Jaarverslag vir 2019/2020 van die Kaapse Wynland Distriksmunisipaliteit, aangeheg as Bylae “A” by die agenda-item;
 - (ii) Die konsep-Oorsigverslag vir die 2019/2020 finansiële jaar, sonder voorbehoud.

INTLANGANISO YEBHUNGA: UMHLA-27 KUMEYI 2021: UMBA C.15.3

KUGQITYWE (Ngazwinye ngooCeba abangama-36): Okokuba –

- (a) Ingqalelo ithatyathelwe –
- (i) Ingxelo engeNgxelo yoNyaka eyilwayo yowama-2019/2020 eyenziwe nguSihlalo weKomiti yoPhicotho-zincwadi njengoko kuqulathwe kwiNgxelo yoNyaka eyilwayo;
 - (ii) Ingxelo yoMphicothi-zincwadi Jikelele engeengxelo zemali zoMasipala wesiThili saseCape Winelands ezilungiselelwe unyaka ophela ngomhla wama-30 kuJuni 2020 njengoko kuqulathiwe kwiNgxelo yoNyaka eyilwayo;

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- (b) Okulandelayo makwamkelwe –
- (i) INgxelo yoNyaka eyilwayo yowama-2019/2020 yoMasipala wesiThili saseCape Winelands, njengoko incanyatheliswe njengeSihlomelo “A” kumba we-ajenda;
 - (ii) INgxelo yokoNgamela eyilwayo yonyaka-mali wama-2019/2020 ngaphandle kwamathandabuzo.

GLOSSARY

| | |
|---|---|
| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Accountability documents | Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and annual reports. |
| Activities | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”. |
| Adequacy indicators | The quantity of input or output relative to the need or demand. |
| Annual report | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the MFMA. Such report must include annual financial statements as submitted to and approved by the Auditor-General. |
| Approved budget | An approved budget means an annual budget that has been approved by Council and includes such annual budget as revised by an adjustment budget in terms of Section 28 of the MFMA. |
| Baseline | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| Basic municipal service | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger public health and safety or the environment. |
| Budget year | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| Cost indicators | The overall cost or expenditure of producing a specified quantity of outputs. |
| Distribution indicators | The distribution of capacity to deliver services. |
| Financial statements | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| General key performance indicators | After consultation with MECs for local government, the minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| Impact | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| Inputs | All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings. |
| Integrated Development Plan (IDP) | Sets out municipal goals and development plans. |
| National key performance areas | Service delivery and infrastructure; Economic development; Municipal transformation and institutional development; Financial viability and management; and |

| | |
|--|---|
| | Good governance and community participation. |
| Outcomes | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are " <i>what we wish to achieve</i> ". |
| Outputs | The final products, or goods and services produced for delivery. Outputs may be defined as " <i>what we produce or deliver</i> ". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area. |
| Performance indicator | Indicators should be specified to measure performance in relation to input, activities, output, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered). |
| Performance information | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| Performance standards | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In the employee performance management and development system, performance standards are divided into indicators and the time factor. |
| Performance targets | The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period. |
| Service Delivery and Budget Implementation Plan | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| Vote | <p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a 'vote' as:</p> <p>(a) <i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p>(b) <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p> |

APPENDICES

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

1 JULY 2019 TO 30 JUNE 2020

| COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE | | | | |
|--|-----------------------------------|---|-------------------------------|---|
| Council Members | Full-time (FT)/ Part-time (PT) | Committees allocated | Ward and/or party represented | Council meetings attended (10 meetings held for the financial year excluding Special Confidential Council meetings) |
| Cllr WM Blom | PT | Ambassador for Persons with Disabilities | DA | 8 |
| Cllr MN Bushwana (from 31 July 2019) | PT | None | ANC | 6 |
| Cllr GJ Carinus | FT | Mayoral Committee Local Labour Forum | DA | 9 |
| Cllr A Crombie | PT | Local Labour Forum (Alternate) Municipal Public Accounts Committee | DA | 7 |
| Cllr C Damens | PT | None | DA | 9 |
| Cllr P Daniëls | PT | Municipal Public Accounts Committee (Alternate) | DA | 9 |
| Cllr JJ du Plessis | FT | Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager) | DA | 10 |
| Cllr R du Toit | PT | Municipal Public Accounts Committee Training Committee (Alternate) | DA | 9 |
| Cllr GJ Fredericks | PT | Municipal Public Accounts Committee | DA | 10 |
| Cllr A Florence | FT | Mayoral Committee | DA | 10 |
| Cllr P Hess | PT | Municipal Public Accounts Committee (Alternate) | DA | 10 |
| Cllr DD Joubert | FT | Mayoral Committee | DA | 10 |

| COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE | | | | |
|---|---------------------------------------|---|--------------------------------------|--|
| Council Members | Full-time (FT)/ Part-time (PT) | Committees allocated | Ward and/or party represented | Council meetings attended (10 meetings held for the financial year excluding Special Confidential Council meetings) |
| Single Whip of Council | | Local Labour Forum (Alternate) | | |
| Cllr X Kalipa | PT | Municipal Public Accounts Committee | DA | 8 |
| Cllr MT Klaas | PT | Municipal Public Accounts Committee Training Committee (Alternate) | EFF | 9 |
| Cllr L Landu | FT | Mayoral Committee Rules Committee | DA | 5 |
| Cllr SS Magqazana | PT | Municipal Public Accounts Committee | DA | 8 |
| Cllr ZL Masoka | PT | Municipal Public Accounts Committee | DA | 6 |
| Cllr ESC Matjan | PT | Municipal Public Accounts Committee | DA | 8 |
| Cllr C Meyer (Speaker) | FT | Rules Committee | DA | 10 |
| Cllr JS Mouton | PT | Municipal Public Accounts Committee (Alternate) | ANC | 8 |
| Cllr RS Nalumango | PT | None | ANC | 5 |
| Cllr LW Niehaus | FT | Mayoral Committee | DA | 9 |
| Cllr BB Ntshingila | PT | Municipal Public Accounts Committee Rules Committee | ANC | 5 |
| Cllr LN Qoba | PT | Municipal Public Accounts Committee | ANC | 5 |
| Cllr E Qhankqiso | PT | Municipal Public Accounts Committee (Alternate) | DA | 7 |
| Cllr PC Ramokhabi | FT | Mayoral Committee Training Committee Local Labour Forum | DA | 10 |
| Cllr SC Rens | PT | Municipal Public Accounts Committee (Alternate) | ANC | 7 |
| Cllr LS Sambokwe | PT | Local Labour Forum (Alternate) | ANC | 7 |
| Cllr ND Sauerman | PT | None | DA | 9 |
| Cllr JW Schuurman | PT | Local Labour Forum | ANC | 10 |

| COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE | | | | |
|---|---|---|--------------------------------------|--|
| Council Members | Full-time (FT)/ Part-time (PT) | Committees allocated | Ward and/or party represented | Council meetings attended (10 meetings held for the financial year excluding Special Confidential Council meetings) |
| Cllr AJ Shibili | PT | None | ANC | 7 |
| Cllr J Smit | PT | None | DA | 10 |
| Cllr DRA Snyders | PT | Training Committee Rules Committee Municipal Public Accounts Committee (Alternate) | EFF | 9 |
| Cllr C Steyn | PT | Municipal Public Accounts Committee (Alternate) | DA | 8 |
| Cllr D Swart (Deputy Executive Mayor) | FT | Mayoral Committee | DA | 10 |
| Cllr N Tetana | PT | Municipal Public Accounts Committee (Alternate) | ANC | 5 |
| Cllr JJ van Rooyen | PT | Municipal Public Accounts Committee | ANC | 8 |
| Cllr JDF van Zyl | FT | Mayoral Committee | DA | 10 |
| Cllr W Vrolick | PT | Municipal Public Accounts Committee (Alternate) | DA | 9 |
| Cllr (Dr) H von Schlicht (Executive Mayor) | FT | Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager) | DA | 10 |
| Cllr CF Wilskut | PT | Rules Committee | BO | 3 |

APPENDIX B – COMMITTEES AND PURPOSES OF COMMITTEES

| COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES | |
|---|--|
| Municipal Committees | Purpose of Committee |
| Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager) | To evaluate the annual performance of the managers directly accountable to the Municipal Manager. |
| Rules Committee | To make recommendations to Council regarding matters affecting the procedures and policies of the municipal Council and its Councillors. |
| Training Committee | To develop the workforce in accordance with the National Skills Development Strategy of national government. |
| Local Labour Forum | To negotiate and/or consult regarding matters of mutual concern; such matters referred from time to time by Bargaining Council or its divisions; except matters reserved for bargaining in Bargaining Council Divisions. |
| Audit Committee | <p>Audit Committee is an independent advisory body that must –</p> <ul style="list-style-type: none"> (a) advise the municipal Council, the political office-bearers, the Accounting Officer and the management staff of the district municipality on matters relating to – <ul style="list-style-type: none"> (i) internal financial control and internal audits; (ii) risk management; (iii) accounting policies; (iv) the adequacy, reliability and accuracy of financial reporting and information; (v) performance management; (vi) effective governance; (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (viii) performance evaluation; and (ix) any other issues referred to it by the municipality or municipal entity; (b) review the annual financial statements to provide the Council of the district municipality with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (c) respond to the Council on any issues raised by the Auditor-General in the audit report; |

| | |
|--|---|
| | <ul style="list-style-type: none"> (d) carry out such investigations into the financial affairs of the district municipality as the Council of the district municipality may request; and (e) perform such other functions as may be prescribed. |
| Municipal Public Accounts Committee (MPAC) | <p>The primary Terms of Reference of the MPAC, in addition to other relevant functions, are as follows:</p> <ul style="list-style-type: none"> (a) Shall not be responsible for policy formulation; (b) May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer; (c) Shall have permanent referral of documents as they become available relating to: <ul style="list-style-type: none"> (i) in-year reports of the CWDM; (ii) financial statements of the CWDM as part of its oversight process; (iii) audit opinion, other reports and recommendations from the Audit Committee; (iv) information relating to compliance in terms of Sections 128 and 133 of the MFMA; (v) information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it; (vi) any other audit report of the CWDM; and (vii) performance information of the CWDM. (d) Shall consider and evaluate the content of the Annual Report and make recommendations to Council when adopting an oversight report on the Annual Report; (e) In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports; (f) Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and reports and evaluate the extent to which the Audit Committee and the Auditor-General's recommendations have been implemented; (g) Shall promote good governance, transparency and accountability on the use of municipal resources; (h) Shall recommend or undertake any investigation in its area of responsibility after reviewing any investigation report already undertaken by the CWDM or the Audit Committee; (i) Shall request the support of both the internal and external auditors in an advisory capacity when necessary; (j) Shall conduct investigations into unauthorised, irregular and/or fruitless and wasteful expenditure in accordance with Section 32(2)(a)(ii) of the MFMA and Regulation 74 of the Municipal Budget and Reporting Regulations, 2008; (k) Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council. |

APPENDIX C – THIRD-TIER ADMINISTRATIVE STRUCTURE

| THIRD-TIER STRUCTURE | | |
|--|---|--------------|
| Directorate | Position | Name |
| Office of the Municipal Manager | Director: IDP, Performance and Risk Management | BT Daries |
| | Chief Audit Executive | R Zeelie |
| | Deputy Director: Communication Services | EJ Otto |
| | Deputy Director: Legal Services | WM Neethling |
| Financial and Strategic Support Services | Director: Budget and Treasury Office | MJ Lesch |
| | Director: Human Resources | GCN Gilbert |
| | Director: Support Services | K Smit |
| Community Development and Planning Services | Deputy Director: Socio Economic Development | RWB van Wyk |
| | Deputy Director: Town and Regional Planning | QJ Balie |
| | Chief Fire Officer | DH Wilds |
| | Head of Municipal Disaster Management Centre | SP Minnies |
| | Deputy Director: Municipal Health Services | HD Boock |
| | Deputy Director: Municipal Health Services | RJ Humphreys |
| Technical Services | Deputy Director: Regulation of Passenger Transport Services | CT Nkasela |
| | Deputy Director: Project Management | C Swart |
| | Deputy Director: Facilities Management | TJ Solomon |
| | Deputy Director: Information Technology | AM Gabier |
| | Director: Roads | ACA Stevens |

APPENDIX D – FUNCTIONS OF MUNICIPALITY

In terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998):

FUNCTIONS AND POWERS OF MUNICIPALITIES (Sections 83-89)**83 General**

- (1) A municipality has the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution.
- (2) The functions and powers referred to in Subsection (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality, as set out in this Chapter.
- (3) A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by –
 - (a) ensuring integrated development planning for the district as a whole;
 - (b) promoting bulk infrastructural development and services for the district as a whole;
 - (c) building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
 - (d) promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

84 Division of functions and powers between district and local municipalities

- (1) A district municipality has the following functions and powers:
 - (a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
 - (b) Potable water supply systems.
 - (c) Bulk supply of electricity, which includes for the purposes of such supply the transmission, distribution and, where applicable, the generation of electricity.
 - (d) Domestic waste water and sewage disposal systems.
 - (e) Solid waste disposal sites, in so far as it relates to –
 - (i) the determination of a waste disposal strategy;
 - (ii) the regulation of waste disposal;
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
 - (f) Municipal roads that form an integral part of a road transport system for the area of the district municipality as a whole.
 - (g) Regulation of passenger transport services.
 - (h) Municipal airports serving the area of the district municipality as a whole.
 - (i) Municipal health services.
 - (j) Firefighting services serving the area of the district municipality as a whole, which includes –
 - (i) planning, coordination and regulation of fire services;
 - (ii) specialised firefighting services such as mountain, veld and chemical fire services;

- (iii) coordination of the standardisation of infrastructure, vehicles, equipment and procedures;
 - (iv) training of fire officers.
 - (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
 - (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
 - (m) Promotion of local tourism for the area of the district municipality.
 - (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
 - (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
 - (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.
- (2) A local municipality has the functions and powers referred to in Section 83(1), excluding those functions and powers vested in terms of Subsection (1) of this section in the district municipality in whose area it falls.

APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT PERFORMANCE AND AUDIT COMMITTEE 2019/2020

| MUNICIPAL PERFORMANCE AND AUDIT COMMITTEE RECOMMENDATIONS | | |
|---|---|--|
| Date of committee | Committee recommendations during year | Comments |
| 05 July 2019 | That a Whistle Blower Policy is needed for the CWDM. | Risk Management should look at the implementation of a Whistle Blower Policy. |
| 05 July 2019 | Mission of the Division: Internal Audit and the detail of other assurance providers to be better defined in the audit plan. | The audit plan was updated to better define the mission of Internal Audit and the detail of other assurance providers. |
| 21 October 2019 | The quality assurance and improvement programme (QAIP) feedback to be done twice a year instead of quarterly. | Quality assurance and improvement programme (QAIP) feedback is done twice a year to the AC. |
| 25 November 2019 | That the financial viability of the CWDM be submitted to the AC quarterly. | Financial viability of the CWDM is submitted to the AC quarterly. |
| 27 January 2020 | That FARMCO meetings be held before the AC meeting. | FARMCO meetings are scheduled to be a week before the AC meeting. |

APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

COUNCILLORS OF CAPE WINELANDS DISTRICT MUNICIPALITY

| | Title | Initials | Surname | Name | Employee # |
|----|-------|----------|----------------------------------|------------|------------|
| 1 | Mr | W M | BLOM | WILLEM | 20059 |
| 2 | Mr | G J | CARINUS | GIDEON | 20003 |
| 3 | Mrs | A | CROMBIE | ANSAAF | 20067 |
| 4 | Mr | C | DAMENS | CHARLES | 20005 |
| 5 | Mr | P | DANIELS | PATRIC | 20080 |
| 6 | Mr | J J | DU PLESSIS | JACOBUS | 20030 |
| 7 | Miss | R | DU TOIT | ROZETTE | 20071 |
| 8 | Mr | A | FLORENCE | ACHMAT | 20069 |
| 9 | Mr | G J | FREDERICKS | GERRIT | 20060 |
| 10 | Mrs | E | GOUWS (until 31 July 2018) | EVA | 20064 |
| 11 | Mrs | P | HESS | PAULINE | 20065 |
| 12 | Mr | D D | JOUBERT (from 01 August 2018) | DONAVAN | 20087 |
| 13 | Mr | X | KALIPA | XOLILE | 20018 |
| 14 | Mr | M T | KLAAS | MOSES | 20070 |
| 15 | Miss | L | LANDU | LINDA | 20072 |
| 16 | Mr | S S | MAGQAZANA | SITHEMBISO | 20061 |
| 17 | Mr | Z L | MASOKA | ZOLANI | 20086 |
| 18 | Mrs | E S C | MATJAN | EVELYN | 20051 |
| 19 | Mrs | C | MEYER | CLARA | 20023 |
| 20 | Mrs | J S | MOUTON | JOHNNEREY | 20033 |
| 21 | Mrs | R S | NALUMANGO | RONALDA | 20079 |
| 22 | Mr | L W | NIEHAUS | L | 20068 |
| 23 | Mr | B B | NTSHINGILA | BOY-BOY | 20058 |
| 24 | Mr | E | QHANKQISO | ERNEST | 20057 |
| 25 | Mrs | L N | QOBA | LIZZIE | 20025 |

| | Title | Initials | Surname | Name | Employee # |
|----|--------------|-----------------|---------------------------------------|-------------|-------------------|
| 26 | Miss | P C | RAMOKHABI | PALESA | 20073 |
| 27 | Mr | S C | RENS | SAMUEL | 20085 |
| 28 | Miss | L S | SAMBOKWE | LUDIA | 20083 |
| 29 | Mr | N D | SAUERMAN (from 02 October 2018) | NICOLAAS | 20089 |
| 30 | Mr | J W | SCHUURMAN | JOHN | 20066 |
| 31 | Mr | A J | SHIBILI | ANDILE | 20081 |
| 32 | Mr | J | SMIT (from 02 October 2018) | JOHANNES | 20088 |
| 33 | Mr | D R A | SNYDERS | DAVID | 20062 |
| 34 | Mr | C | STEYN | CRAIG | 20056 |
| 35 | Mr | D | SWART | DIRK | 20074 |
| 36 | Mrs | N | TETANA | NOMALUNGISA | 20084 |
| 37 | Mr | J J | VAN ROOYEN | JEAN | 20055 |
| 38 | Mr | J D F | VAN ZYL | JACOBUS | 20075 |
| 39 | Dr | H | VON SCHLICHT | HELENA | 20044 |
| 40 | Mr | W | VROLICK | WILFRED | 20077 |
| 41 | Mr | C F | WILSKUT | COLIN | 20082 |

Declarations in terms of the MFMA: Supply Chain Management Regulation 45. Awards to close family members of persons in the service of the State.

| Councillor's Name | Pay No. | Relation: Self / Parent / Spouse / Child /Other | Name and Position | Name of Entity and Registration Number | Address of Entity / Person | Date when business was established |
|-------------------------|---------|---|-------------------|--|----------------------------|------------------------------------|
| No submissions received | | | | | | |

Other aspects

SHARES AND SECURITIES IN ANY COMPANY

| Councillor's Name | Pay No. | Company(s) where shares/securities are kept | Nature of shares (e.g. ordinary, preference, etc.) | Number of shares | Nominal value of shares | Total value of shares |
|-------------------|---------|---|--|------------------|-------------------------|-----------------------|
| Carinus G J | 20003 | Propco Trust – (10 properties) | Property company with global value | 11,1 % | R 500 000 | R2 000 000 |
| Carinus G J | 20003 | 8 – Stellenbosch & 2 – Kuilsrivier | | | | |
| Florence A | 20069 | Telkom | Ordinary | 75 | 73,71 per share | 5,528.25 |
| Florence A | 20069 | Vodacom | Ordinary | 75 | 110,36 per share | 8,277.00 |
| Nalumango R | 20079 | P A Group | Shares | 700 | 1 000 p.a. | |
| Siwakamisa L N | 20025 | MTN | Ordinary | 25 | | |
| Snyders D R A | 20062 | Menclire Holdings | Ordinary | 25 | R25.00 | R25.00 |
| Snyders D R A | 20062 | Drakenstein Co-op | Ordinary | 20 | R20.00 | R20.00 |

SHARES AND SECURITIES IN ANY COMPANY

| Councillor's Name | Pay No. | Company(s) where shares/securities are kept | Nature of shares (e.g. ordinary, preference, etc.) | Number of shares | Nominal value of shares | Total value of shares |
|-------------------|---------|---|--|------------------|-------------------------|-----------------------|
| Van Zyl J D F | 20075 | J S E | Ordinary | | | R 300 000 |

MEMBERSHIP OF ANY CLOSE CORPORATIONS

| Councillor's Name | Pay No. | Name of Close Corporation | Type of business | Registration number | Details of ownership (i.e. sole member of 50% share etc.) | Remuneration received from membership (per annum) | Does the CC do business with CWDM? | |
|-------------------|---------|-------------------------------|--|-----------------------------|---|---|------------------------------------|----|
| | | | | | | | YES | NO |
| Carinus G J | 20003 | Foretha Boerdery | Rental of Municipality Stellenbosch Land – Partnership | Property 184 - D | 50% | | | X |
| Du Plessis J J | 20030 | Moulin Du Plessis CC | Roller Fluting | No further detail submitted | Sole | None | | X |
| Qhankqiso E | 20057 | True Luv Developments Pty Ltd | Dormant | No further detail submitted | Member of 50% | R46 000 p.a. | | X |
| Shibili A J | 20081 | AKA & MTHE | CC | No further detail submitted | 50% | None | | X |
| Snyders D R A | 20062 | Menclire Holding | Construction | No further detail submitted | 25% | None | | X |

INTEREST IN ANY TRUSTS

| Councillor's Name | Pay No. | Name of Trust | Nature of Interest |
|-------------------|---------|-------------------------------|-----------------------------------|
| Carinus G J | 20003 | Highmead Farming Trust | Trust Creator and Main Trustee |
| Carinus G J | 20003 | Madre Carinus Trust | Investment Trust for Family |
| Carinus G J | 20003 | Propco Trust | Property Trust = 11% Shareholding |
| Du Plessis J J | 20030 | Oude Tol Investment Trust | Resident Property Ownership |
| Hess P | 20065 | Robertson Small Scale Farmers | Member |
| Niehaus L W | 20068 | AGS Pinksterkerk Trust | Member |

DIRECTORSHIPS

| Councillor's Name | Pay No. | Name of company/ institution/ organisation | Type of business activity | Registration Number (Not applicable for non- owners) | Details of ownership (% of share- holding) or membership | Remuneration received from directorship/ membership (per annum) | Does the Organisation do business with CWDM? | |
|-------------------|---------|--|-----------------------------------|---|--|---|---|----|
| | | | | | | | YES | NO |
| Blom W M | 20059 | Isiviko | Occupational Health and Safety | n/a | 51% | | X | |
| Carinus G J | 20003 | Forentha Boerdery | Farm on municipal rental land | n/a | 50% Membership | | | X |
| Joubert D D | 20087 | Shosoloz Konstruksie | Trade Union | n/a | Member | None | | X |
| Klaas M T | 20070 | Amampondomise Burial Society Pty Ltd | Electrical | | Director | None | | X |

DIRECTORSHIPS

| Councillor's Name | Pay No. | Name of company/ institution/ organisation | Type of business activity | Registration Number (Not applicable for non- owners) | Details of ownership (% of share- holding) or membership | Remuneration received from directorship/ membership (per annum) | Does the Organisation do business with CWDM? | |
|-------------------|---------|--|------------------------------|---|--|---|---|----|
| | | | | | | | YES | NO |
| Mouton J S | 20033 | Home Base Traders | Construction | | 100% | None | | X |
| Mouton J S | 20033 | Shosolozza Construction | Construction | | 100% | None | | X |
| Niehaus L W | 20068 | Cape Winelands Sports Council | Sport | n/a | n/a | None | X | |
| Niehaus L W | 20068 | Western Cape Judo | Sport | n/a | n/a | None | | X |
| Niehaus L W | 20068 | Cape Winelands Judo | Sport | n/a | n/a | None | X | |
| Qhankqiso E | 20057 | True Luv Developments | Dormant | | 50% | R4 4000 p.a. | | X |
| Qhankqiso E | 20057 | House of Restoration - NGO | Ministry | | 0% | | | X |
| Ramokhabi P C | 20073 | Yakha Social Group | NGO | | | | X | |
| Sauerma N D | 20089 | Solar Energy Land Pty Ltd | Solar | 2013/1526 49/07 | 5% | | | X |
| Von Schlicht H | 20044 | Wesgro | Economic Development | | | | X | X |
| Von Schlicht H | 20044 | ACW Hoofbestuur | Welfare | | | | | X |
| Von Schlicht H | 20044 | ACW Wellington | Welfare | | | | | X |

PARTNERSHIPS

| Councillor's Name | Pay No. | Name of company/ institution/ organisation | Type of business activity | Registration Number (Not applicable for non-owners) | Details of ownership (% of share- holding) or member- ship | Remunerati on received from directorship / member- ship (per annum) | Does the Organisation do business with CWDM? | |
|-------------------|---------|--|--|---|--|---|---|----|
| | | | | | | | YES | NO |
| Carinus G J | 20003 | Propco Trust | Property Trust | | 11% | Property and Still Day Bond | | X |
| Carinus G J | 20003 | Via Madre Carinus Trust | | | Trustee | | | X |
| Carinus G J | 20003 | Foretha Boerdery | Rental Land (24 ha of Municipality Stellenbosch) | | 50% Partner | | | X |

OTHER FINANCIAL INTERESTS IN ANY BUSINESS UNDERTAKING

| Councillor's Name | Pay No. | Name of business undertaking | Type of business | Remuneration received from undertaking (per annum) | Does the undertaking do business with CWDM? | | Does the undertaking do business with CWDM's Vendors? | | Who is primary client? |
|----------------------|------------|------------------------------------|---------------------|---|---|----|---|----|---------------------------|
| | | | | | YES | NO | YES | NO | |
| Blom W M | 20059 | Thys Blom Tax Practitioner | Tax Consultant | R25 000 p.a. | | X | | X | All clients |
| Sauerma N D | 20089 | Nical Sauerma | Consultant | R300 000 | | X | | X | Business people |

INTEREST IN ANY PROPERTY

| Councillor's Name | Pay No. | Type/description of property (i.e. residential, flat, vacant land, industrial, commercial, etc.) | Area | Physical address or Erf # | Nature of interest (owner, landlord, lessor, etc.) | Is CWDM making use of property? | |
|-------------------|---------|--|---------------------------------|---|--|---------------------------------|----|
| | | | | | | YES | NO |
| Blom W M | 20059 | Residential | Worcester | 18 Hugo Naude, Worcester | Owner | | X |
| Carinus G J | 20003 | Rental Land | Stellenbosch | Devon Valley 184 D | Lessor – 50% Partner | | X |
| Carinus G J | 20003 | | Stellenbosch | Stellenbosch | | | X |
| Carinus G J | 20003 | | 8 Stellenbosch 2 Kuilsrivier | Stellenbosch & Kuilsrivier | Co-owner via Trust | | X |
| Crombie A | 20067 | Residential | Stellenbosch | 7 Pool Street, Cloetesville, Stellenbosch | Owner | | X |
| Du Plessis J J | 20030 | Farm | 148 Ha | Oude Tol, Tulbagh | Residing | | X |
| Joubert D D | 20087 | Residential | Stellenbosch | 3 Packham Street, Stellenbosch | Owner | | X |
| Nalumango R S | 20079 | Residential | Randburg | 18 Grafiet Street, Randburg | Owner | | X |
| Nalumango R S | 20079 | Residential | Randburg | 36 Loriesloft, Perm Street, Randburg | Owner | | X |
| Qhankqiso E | 20057 | Residential | Robertson | 6 August Street, Robertson | Owner | | X |
| Qhankqiso E | 20057 | Residential | Touwsriver | 10 Jane Street, Touwsriver | Owner | | X |
| Sauerman N D | 20089 | Residential | Wellington | Erf 3721 | Owner | | X |
| Shibili A J | 20081 | RDP House | Robertson | 26 Nyamana Street, Robertson | Owner | | X |
| Swart D | 20074 | Residential | Ceres | 19 Buckingham Singel, Ceres | Owner | | X |
| Von Schlicht H | 20044 | Residential | Wellington | 9 Albertros Street, Wellington | Co-owner | | X |

EMPLOYMENT AND REMUNERATION

| Councillor's Name | Pay No. | Name of business | Type of business activity | Designation | Remuneration received for such employment | Approval of Council? | Does the organisation do business with CWDM? | |
|-------------------|---------|----------------------------|---------------------------|---------------|---|----------------------|--|----|
| | | | | | | | YES | NO |
| Crombie A | 20067 | Stellenbosch Municipality | Municipality | Councillor | | | | X |
| Matjan E S C | 20051 | Breede Valley Municipality | Municipality | Councillor | | | n/a | |
| Nalumango R S | 20079 | Stellenbosch Municipality | Municipality | PR Councillor | R24 000 | | | |
| Niehaus L W | 20068 | Drakenstein Municipality | Municipality | Councillor | R20 000 | | | |
| Ramokhabi P C | 20073 | Breede Valley Municipality | Municipality | Councillor | | | X | |
| Sauerman N D | 20089 | Drakenstein Municipality | Municipality | Councillor | | | | |
| Tetana N | 20074 | Contract Parmalat | Contract | | R6 000 p.m. | | | X |

PENSION

| Councillor's Name | Pay No. | Source of the pension (Pension Fund) | Value of the pension |
|-------------------|---------|--------------------------------------|----------------------|
| Du Plessis J J | 20030 | Sanlam | R2 000 |
| Swart D | 20074 | M P F | Not Known |
| Van Zyl J D F | 20075 | Government Employees Pension Fund | R20 000 p.m. |

SUBSIDIES, GRANTS AND SPONSORSHIPS BY ANY ORGANISATION

| Councillor's Name | Pay No. | Source of subsidy(s), grant(s) or sponsorship(s) | Description of subsidy(s), grant(s) or sponsorship(s) | Is assistance from a non-party source? | | Value of subsidy(s), grant(s) or sponsorship(s) (per annum) |
|-------------------|---------|--|---|--|----|---|
| | | | | YES | NO | |
| Blom W M | 20059 | Western Cape Association for Persons with Disabilities | Transport | X | | R5 000 |

3. Disclosure of benefits

| Councillor's Name | Pay No. | Relationship | Associate | Third party that connects them |
|-------------------------|---------|--------------|-----------|--------------------------------|
| No submissions received | | | | |

APPENDIX G (I) – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

| REVENUE COLLECTION PERFORMANCE BY VOTE | | | | | | |
|--|--------------|-----------------|-----------------|--------------|--------------------|-------------------|
| Vote Description | 2018/2019 | 2019/2020 | | | 2018/2019 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustment Budget |
| Budget And Treasury Office | -280 000 | -280 000 | -280 000 | -280 000 | 0% | 0% |
| Buildings: Maintenance | -260 876 | -135 000 | -244 000 | -233 279 | -73% | 4% |
| Disaster Management | 0 | -1 100 000 | -2 319 000 | -1 989 849 | -81% | 14% |
| Expenditure | -223 213 666 | -229 767 000 | -229 767 000 | -229 775 293 | 0% | 0% |
| Finance Management | -1 019 | -800 | -800 | -668 | 17% | 17% |
| Financial Management Grant | -1 000 000 | -1 000 000 | -1 000 000 | -1 000 000 | 0% | 0% |
| Fire Services | -136 065 | -1 246 000 | -1 246 000 | -111 143 | 91% | 91% |
| Human Resources Management | -429 425 | -669 000 | -1 301 000 | -806 719 | -21% | 38% |
| Municipal Health Services | -574 597 | -250 000 | -290 000 | -647 865 | -159% | -123% |
| Roads: Main Div / Indirect | -110 344 965 | -116 168 750 | -125 479 000 | -107 854 343 | 7% | 14% |
| Roads: Plant | 0 | -17 564 705 | -195 743 | -136 237 | 99% | 30% |
| Procurement | -166 798 | -100 000 | -100 000 | -22 995 | 77% | 77% |
| Projects and Housing | -4 754 785 | -5 360 190 | -5 585 190 | -2 571 131 | 52% | 54% |
| Public Transport Regulation | -715 606 | -900 000 | -1 687 703 | -812 452 | 10% | 52% |
| Social Development | -77 735 | 0 | -148 000 | -45 113 | 0% | 70% |
| Sundry Expenditure of the Council | -70 380 778 | -72 641 100 | -73 865 800 | -68 845 541 | 5% | 7% |
| Tourism | -41 304 | -50 000 | -50 000 | 0 | 100% | 100% |

APPENDIX G (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

| Revenue Collection Performance by Source | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| R '000 | | | | | | |
| Description | 2018/2019 | 2019/2020 | | | 2018/2019 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Property rates | - | - | - | - | - | - |
| Property rates – penalties and collection charges | - | - | - | - | - | - |
| Service charges – electricity revenue | - | - | - | - | - | - |
| Service charges – water revenue | - | - | - | - | - | - |
| Service charges – sanitation revenue | - | - | - | - | - | - |
| Service charges – refuse revenue | - | - | - | - | - | - |
| Service charges – other | 136 065 | 200 000,00 | 200 000,00 | 111 143 | 44% | 44% |
| Rental of facilities and equipment | 248 345,00 | 131 000,00 | 240 000,00 | 229 975,00 | -76% | 4% |
| Interest earned – external investments | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | 1% | 2% |
| Interest earned – outstanding debtors | - | - | - | - | | |
| Dividends received | - | - | - | - | | |
| Fines | - | - | - | - | 0% | #DIV/0! |
| Licences and permits | - | 250 000,00 | - | - | 100% | #DIV/0! |
| Agency services | 108 552 545 | 128 201 955 | 125 524 743 | 106 276 009 | 17% | 15% |
| Transfers recognised – operational | 231 988 667 | 241 135 000 | 244 903 703 | 239 156 653 | 1% | 2% |
| Other income | 3 389 329 | 14 887 090 | 1 863 990 | 1 507 951 | 90% | 19% |
| Total Revenue | | | | | | |
| (excluding capital transfers and contributions) | 398 608 615 | 440 805 045 | 429 232 436 | 402 687 636 | 9% | 6% |

TK.2

APPENDIX H – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| CONDITIONAL GRANTS: EXCLUDING MIG | | | | | |
|--|--------------|-------------------|--------------|------------|-------------------|
| R'000 | | | | | |
| Details | Budget | Adjustment Budget | Actual | % Variance | |
| | | | | Budget | Adjustment Budget |
| EPWP incentive | 1 391 | 1 391 | 1 391 | 0 | 0 |
| Local Government Financial Management Grant | 1 000 | 1 000 | 1 000 | 0 | 0 |
| Western Cape Financial Management Support Grant | 880 | 895 | 280 | 68 | 69 |
| Integrated Transport Plan | 900 | 1 608 | 716 | 20 | 55 |
| Rural Roads Asset Management System | 2 689 | 2 689 | 2 393 | 11 | 11 |
| Community Development Workers | 0 | 0 | 78 | 100 | 100 |
| Western Cape Financial Capacity Building Grant | 360 | 360 | 81 | 78 | 78 |
| Municipal Service Delivery & Capacity Building(Local C | 0 | 400 | 0 | 0 | 100 |
| Local Government Graduate Internship Grant | 72 | 72 | | 100 | 100 |
| Safety Plan Implementation - WOSA | | 1 000 | 0 | 0 | 100 |
| Total | 7 292 | 9 415 | 5 939 | 19 | 37 |
| | | | | | TL |