

# **DRAFT ANNUAL REPORT**

## **2017 / 2018**





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## CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR'S FOREWORD

#### MAYOR'S FOREWORD

It will always be a daunting task to provide a complete account of the responsibilities conferred upon us by the electorate. We do so being quite conscious of the fact that the public deserves its rightful place at the apex of the accountability chain. In presenting this Annual Report, Dr Beyers Naudé Local Municipality sets out the performance highlights and financial management for the 2017/18 financial year.

We owe this timely reporting to our colleagues in Government, the people of Dr Beyers Naudé and all those who work, live and play in our Municipal area, by providing them an insight into our approach to governance and service delivery. This Annual Report is a culmination of the implementation of the Council's Integrated Development Plan, Budget and the Service Delivery & Budget Implementation Plan for the 2017/18 financial year. The Report is an account of the achievements of the Dr Beyers Naudé Local Municipality in the year under review and it also assists in identifying our successes and failures. The report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people.

After the 2016 Local Government elections, we took over an amalgamated Municipality that, in hindsight, may not have been properly prepared for the challenges it had to face. A virtually fresh Management team had to be appointed to take the Municipality forward. Finances were in a mess.

If we have to succeed, we have to serve our Community with passion and love. Like athletes, we have to take up the baton and run with the aim to finish the course. It can never be about winning or losing, but should rather be about serving the community of Dr Beyers Naudé Local Municipality. We are representing the entire "Government Family" within our own jurisdiction, therefore, it is imperative for us to ensure that we maintain positive and healthy relations with other spheres of Government. We will continue to utilise the IDP as a localised expression of the National Development plan, to avoid any duplication of initiatives, but instead maximise the impact with respect to service delivery.

We aim to accelerate the institutionalisation of Performance Management to ensure that all our efforts towards service delivery are tracked and monitored, evaluated and improved. It is through this approach that we will ensure the accountability of the Municipality to local communities, the administration to Council and the line functions to Executive Management.

We will work tirelessly to support an efficient, effective and highly skilled administration that delivers better services and grows the Local Economy to create jobs.

**Councillor Deon De Vos**  
**MAYOR OF DR BEYERS NAUDÉ LOCAL MUNICIPALITY**

**24/01/2019**

## COMPONENT B: EXECUTIVE SUMMARY

## 1.1 MUNICIPAL MANAGER'S OVERVIEW

**MUNICIPAL MANAGER'S OVERVIEW**

Dr Beyers Naudé Local Municipality's Annual Report for the 2017/2018 financial year provides an in-depth picture of the work undertaken in the year under review. This report is published in terms of the Municipal Finance Management Act 56/2003, and the Local Government legislation that has brought about considerable changes to the local sphere of Government since 2000. Once such change has been the implementation of Performance Management regulations and guidelines, which require Municipalities to report on progress in specific areas. The MFMA places high standards and requirements when it comes to accounting on the use of public funds.

This report provides readers with a substantial insight into the operations of Dr Beyers Naudé Local Municipality. Over the next few years, we will see a steady improvement in the quality of our reporting, as Performance Management becomes entrenched in our organisational culture.

Our staff members will continually gain insight on how the identification of key performance indicators (KPIs) and the tracking thereof can assist service delivery and create opportunities for ongoing improvement. As this way of working becomes entrenched in Municipalities, it also becomes possible for our customers to measure our progress, based on clearly stated objectives.

We have taken the opportunity in this Annual Report to reflect on the significant progress made in basic service delivery, rolling out and expanding services such as the provision of water, sanitation and electricity. One thing is clear as we move into the next financial year; the challenges will be even greater. The economic conditions over the next year and beyond will place tremendous burdens on many of our citizens who will depend on effective public services more than ever. Meanwhile, no effort is spared in attaining efficiency targets in our work and responding to the performance framework. We look forward to working with all stakeholders to deliver even better public services.

This Annual Report outlines the details of the various programmes managed by the Directorates of Dr Beyers Naudé Local Municipality and indicates how we have performed in our efforts to meet our set targets. We firmly believe that we are on track towards meeting the growth and development targets of the Municipality, in the context of a developmental state.

On behalf of the Management of Dr Beyers Naudé Local Municipality, we express our profound appreciation to the political leadership and the opportunity they have given us to serve the people of Dr Beyers Naudé Municipality. The staff of the Municipality continues to put in every effort to ensure that our organisation implements its mandate effectively, and that we – individually and collectively – can contribute to making a difference in the quality of life in our communities.

**DR EM RANKWANA**  
**MUNICIPAL MANAGER**

**24/01/2019**

## 1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

#### POPULATION PROFILE

##### CENSUS 2011

The following statistical information has been calculated based on the combined figures of 2011 Census results released by StatsSA, for the former Municipalities of Camdeboo, Baviaans and Ikwezi – who amalgamated directly after the August 2016 Local Elections. Where only percentages were available, an average has been given.

According to the 2011 Census, Dr Beyers Naudé Municipality had a total population of 79,291 – made up as follows :

Coloured	65%
Black	25%
White & Other	10%
<hr/>	
	100%
Male	48%
Female	52%
<hr/>	
	100%

- The Youth (15 – 34 years) made up 34% of the total population.
- The Official Unemployment Rate was 26%; however, we suspect that it was in fact higher due to an understatement of former Ikwezi Municipality's unemployment figure.
- Of the 12,765 economically active Youth, 33% were unemployed.
- The annual population growth rate was about 0.6% with an average of 3.9 persons per household, based on the calculation of 79,291 persons ÷ by 19,925 households.

##### 2016 COMMUNITY SURVEY AND PROJECTED GROWTH ESTIMATES

Early in 2016, StatsSA, ahead of the Municipal Elections, conducted a Community Survey in the former Camdeboo, Baviaans and Ikwezi Municipal areas. Results, based on selected sampling, were indicative of a growth in population from 79,291 to 82,197 persons; which constitutes an estimated annual growth rate of 0.8% and a total growth of 3.6% since 2011, with an average of 4 persons per household, based on the calculation of 82,197 persons ÷ by 20,748 households. There was also an overall improvement in socio-economic conditions. More accurate data can only be provided after the next full Census. See table T1.2.2 for projected growth estimates.

## ACCESS TO BASIC SERVICES

High levels of accessibility to Basic Services are reflected in the Dr Beyers Naudé Municipal area, estimated to consist of 17,780 households in the urban areas and 3,320 households in the non-urban (farm) areas. The urban households are serviced by the Municipality.

- 97% of households have access to a minimum standard of electricity (energy for lighting);
- 98% of households have access to a min. standard of piped potable water (within 200 metres);
- 96% of households have access to a min. standard of sanitation (flush, chemical & VIP pit latrines);
- 99% of households have access to a min. standard of refuse removal & disposal facility (Municipal, communal or private).

Households that do not have direct access to these basic services are informal dwellings – mainly shacks situated in backyards or informal settlements, or those on farms in the more remote areas.

## CHALLENGES IN POPULATION AND BASIC NEEDS

Some of the main challenges in terms of Dr Beyers Naudé Municipality's growing population and increasing demand for basic services are:

- High welfare dependency and serious social problems (e.g. unemployment and substance abuse);
- The provision of suitable skills development and training, as well as the creation of sufficient and sustainable employment opportunities – especially amongst the unemployed Youth;
- Addressing the current housing backlog adequately in order to reduce and eventually eradicate the number of unserviced households;
- A few areas are experiencing problems with electricity: some towns require their maximum demand to be upgraded by Eskom and one or two very small and remote settlements do not have access to basic energy, or easy access to an electricity vendor. A number of small settlements do not fall within the Municipality's area of service delivery.
- There are also water supply and quality issues in a few areas, which will be addressed through grant-funded capital infrastructure projects.

## MUNICIPAL AMALGAMATIONS

The amalgamation of Camdeboo, Baviaans and Ikwezi Local Municipalities has created a very extensive Municipal area (49% of the District surface), with vast distances between main- and sub-places. Some Wards are extremely large; this and inner boundaries between towns and settlements have created spatially divided communities. All three Municipalities were experiencing financial difficulties before the amalgamations; this situation has worsened after the amalgamations. The new Dr Beyers Naudé Municipality requires more focussed support to overcome these challenges.

### T 1.2.2 POPULATION DETAILS

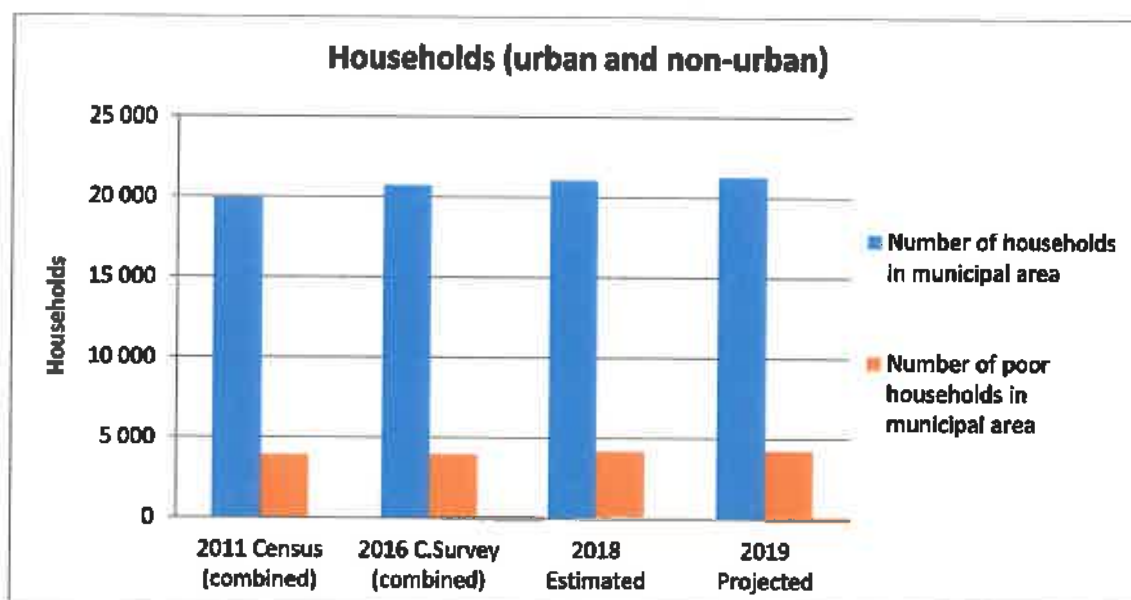
Population Details (Population '000)			
Age	Year -2 : 2011 StatsSA Census (Former LMs combined)	Year -1 : 2016 StatsSA Community Survey (Former LMs combined at 3.66%)	Year 0 : 2018 Estimated (at 0.6% p.a. growth estimate)



	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	4,218	4,185	8,403	4,370	4,470	8,840	4,420	4,525	8,945
Age: 5 - 9	3,969	4,027	7,996	4,110	4,160	8,270	4,160	4,210	8,370
Age: 10 - 19	7,619	7,429	15,048	7,885	7,685	15,570	7,980	7,780	15,760
Age: 20 - 29	6,420	6,284	12,704	6,647	6,502	13,149	6,730	6,580	13,310
Age: 30 - 39	4,924	5,211	10,135	5,100	5,400	10,500	5,160	5,465	10,625
Age: 40 - 49	4,582	4,946	9,528	4,740	5,120	9,860	4,800	5,180	9,980
Age: 50 - 59	3,453	3,964	7,417	3,570	4,100	7,670	3,610	4,150	7,760
Age: 60 - 69	2,106	2,567	4,673	2,180	2,658	4,838	2,210	2,690	4,900
Age: 70+	1,305	2,082	3,387	1,350	2,150	3,500	1,370	2,180	3,550
<b>TOTAL</b>	<b>38,596</b>	<b>40,695</b>	<b>79,291</b>	<b>39,952</b>	<b>42,245</b>	<b>82,197</b>	<b>40,440</b>	<b>42,760</b>	<b>83,200</b>

*NB : Above data was calculated by combining the figures of former Camdeboo, Ikwezi and Baviaans Municipalities, from results released by StatsSA and a calculated projection for 2018. The 2016 Community Survey did not provide the same comprehensive breakdown per category as the 2011 Census, so the figures pertaining to the 2016 Community Survey are based on an average growth estimate per category.*

### T 1.2.3 HOUSEHOLDS

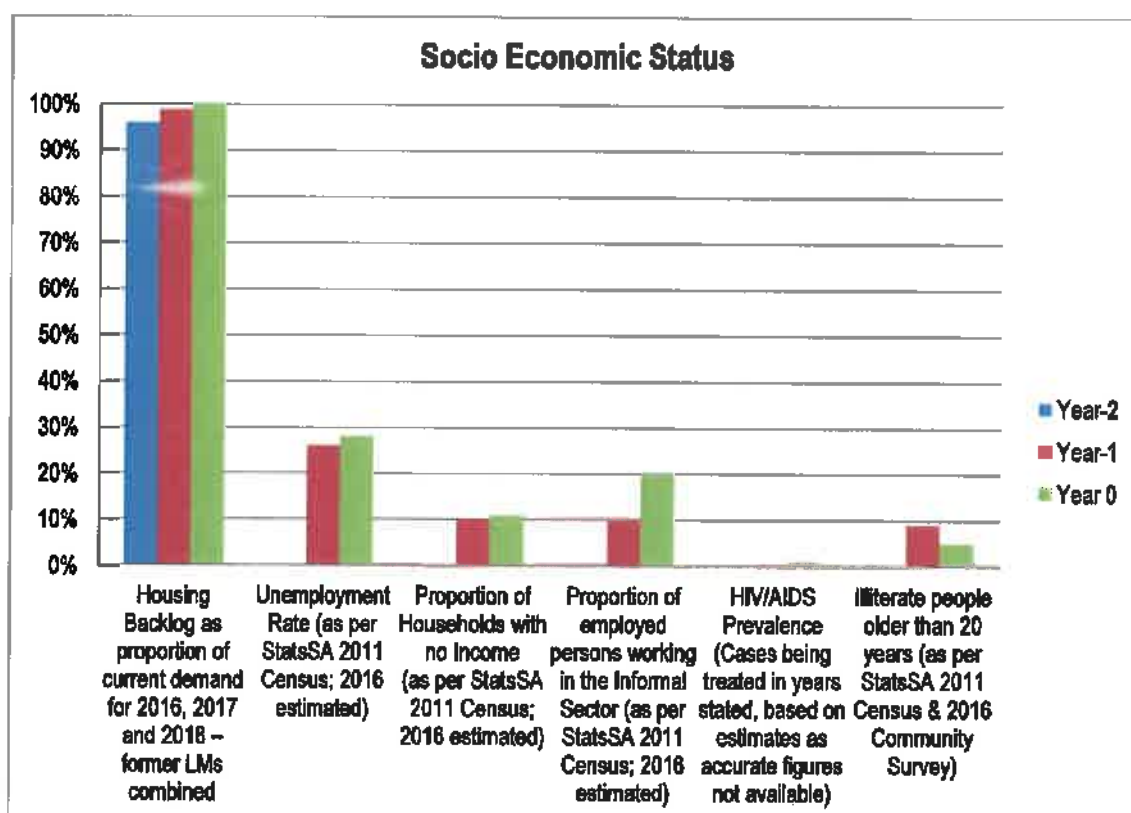




## T 1.2.4 SOCIO ECONOMIC STATUS

Year	Housing Backlog as a proportion of current demand for 2016, 2017 and 2018 – former LMs combined	Unemployment Rate (StatsSA 2011 Census, 2016 estimated)	Proportion of Households with no Income (StatsSA 2011 Census; 2016 estimated)	Proportion of employed persons working in the Informal Sector (StatsSA 2011 Census for Yr-1)	HIV/AIDS Prevalence (Cases being treated in years stated, based )	Illiterate people older than 20 years (StatsSA 2011 Census & 2016 Community Survey)
Year-2	2016 : 8,448	N/A	N/A	N/A	N/A	N/A
Year-1	2017 : 8,776	2011 : 26%	2011 : 10%	2011 : 10%	2016 : 1%	2011 : 9%
Year 0	2018 : 8,793	2016 : 28%	2016 : 11%	2016 : 20%	2017 : 1%	2016 : 5%

## T 1.2.5 SOCIO ECONOMIC STATUS GRAPH



## T 1.2.6 OVERVIEW OF NEIGHBOURHOODS

Overview of Neighbourhoods within Dr Beyers Naudé Municipality (as per StatsSA Census 2011 data combined)		
Settlement Type	Households	Population
<b>Towns</b>		
Graaff-Reinet (incl. Kroonvale)	5,932	26,585
Willowmore	1,938	7,673
Aberdeen	1,407	5,133
Klipplaat	618	2,214
Steytlerville	540	1,836
Nieu-Bethesda (incl. Pienaarsig)	318	1,540
Rietbron	378	1,184
Jansenville	347	1,134
<b>Sub-Total</b>	<b>11,478</b>	<b>47,299</b>
<b>Townships</b>		
Umasizakhe (Graaff-Reinet)	2,460	9,087
KwaZamukucinga (Jansenville)	1,172	4,479
Vuyolwethu (Willowmore)	656	2,184
Thembalesizwe (Aberdeen)	648	2,030
Wongalethu (Klipplaat)	256	750
<b>Sub-Total</b>	<b>5,192</b>	<b>18,530</b>
<b>Rural settlements</b>		
Waterford	14	43
Non-urban settlements & farms	3,241	13,419
<b>Sub-Total</b>	<b>3,255</b>	<b>13,462</b>
<b>Informal settlements</b>		
There are informal settlements in Graaff-Reinet (Umasizakhe and Asherville areas), Aberdeen and Nieu-Bethesda, but their household and population figures have been included in the listings above by StatsSA. Currently there are approximately 400 units.		
<b>TOTAL</b>	<b>19,925</b>	<b>79,291</b>

**NB :** Above figures were sourced from the Municipal Profiles on StatsSA's website, featuring the three former Municipalities of Camdeboo, Ikwezi & Baviaans. This detailed breakdown was not made available for the 2016 Community Survey.

## T 1.2.7 &amp; T 1.2.8 NATURAL RESOURCES, CHALLENGES &amp; OPPORTUNITIES

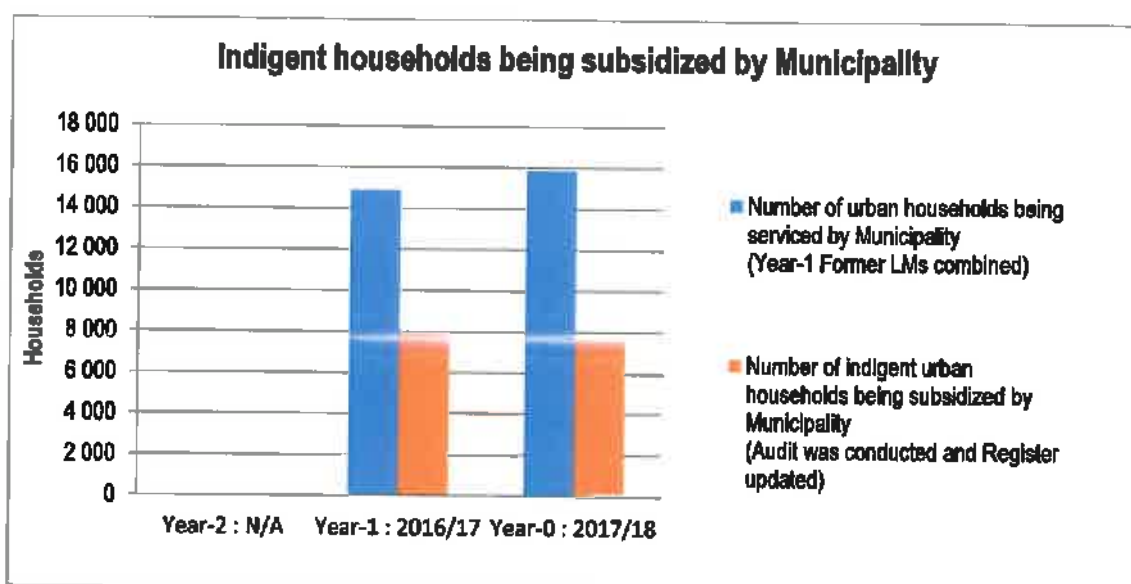
Natural Resources	
Major Natural Resource	Relevance to Community
Sun	Can be utilized extensively for solar power (panels). Challenge : The systems are expensive to install and can be damaged easily, as well as be aesthetically unattractive in the case of large areas being utilized for purpose of feeding into the national grid.
Wind	Can be utilized extensively for wind power (turbines). Challenge : The systems are expensive to install and can be harmful to the environment (destroying bats and birds, cause noise pollution and have a detrimental impact on the area's pristine landscape, i.e. viewshed).
Water	Required for domestic, agricultural and industrial use. We have surface and underground water, but not in sustainable supply – heavily dependent on good annual rainfall, which in this semi-arid region of the Karoo is unreliable. Systems are systematically being upgraded for improved storage and reticulation capacity and new RDP houses will be fitted with gutters and rainwater tanks. Due to a prolonged drought the past few years, dam and underground water levels have dropped substantially and strict water restrictions were imposed during the year of reporting.
Land	The Dr Beyers Naudé Municipality Municipal area is 28,690 km <sup>2</sup> in extent and the majority of the land is utilized for agricultural purposes – one of our main economic drivers. Commonage land is quite extensive but is not being managed properly and serious land degradation is occurring. The Municipality has created a post on its Organizational Structure for an Officer to deal with this issue. Closer to the urban areas there is a big need for smaller tracts of land that can be utilized for agricultural purposes, and also a demand for sites that can be utilized for recreational, commercial and other purposes. The Town Planner has been investigating ways and means of addressing this need: it will receive more attention during the development of a new Spatial Development Framework.
Minerals (sand, clay, gravel and stone)	Sand, clay, gravel and stone is being mined for building new houses and road maintenance, but stricter monitoring is required to ensure that these resources are not being over-exploited. Critical problems are being experienced with one of the stone quarries being right on the northern boundary of the Camdeboo National Park and the threat of a proposed sand mine (large scale) on its eastern boundary, close to the mouth of the Sunday's River. There are serious concerns about the exploration and extraction of shale gas, as well as the mining of uranium within or close to the Municipal area.

## 1.3 SERVICE DELIVERY OVERVIEW

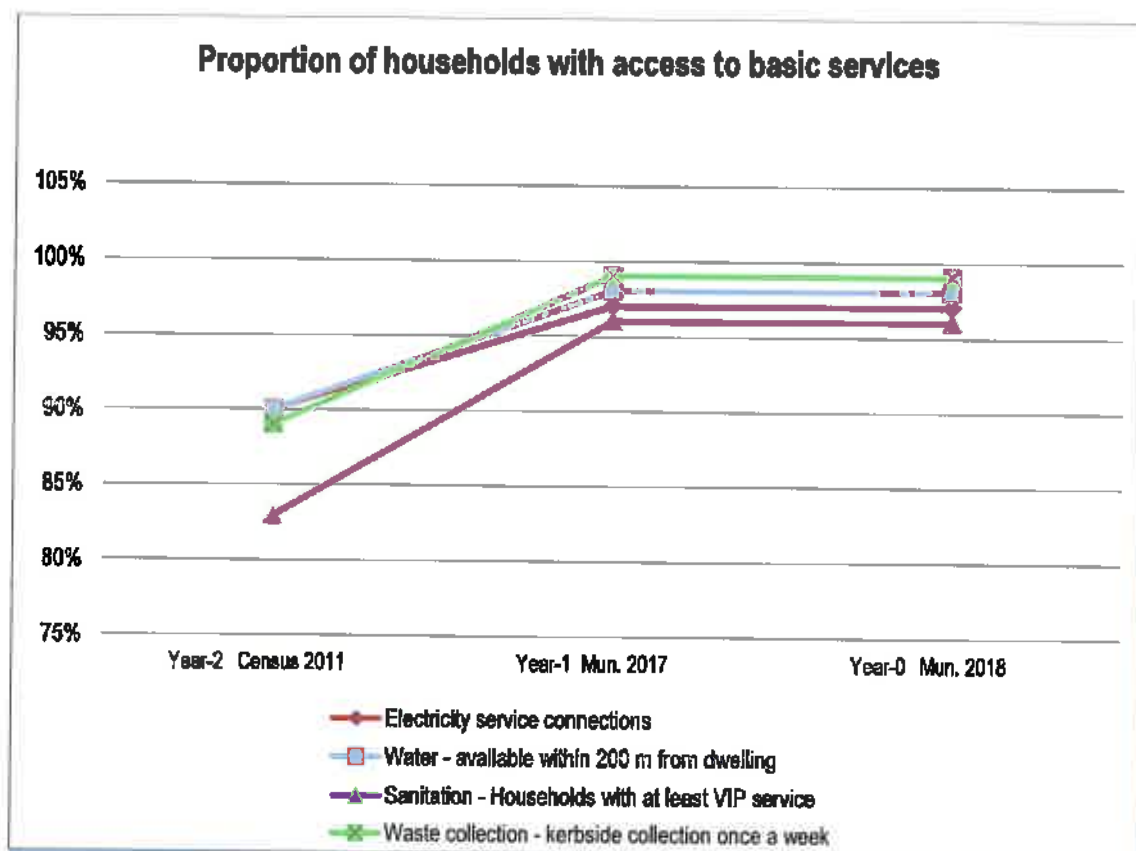
### SERVICE DELIVERY INTRODUCTION

The municipality has continued to provide IGG support to all residents qualifying in terms of our Indigent Policy providing a subsidy for basic municipal services such as water, electricity, sanitation and refuse removal as well as property rates.

#### T 1.3.1 SUPPORT TO INDIGENT HOUSEHOLDS



## T 1.3.2 ACCESS TO BASIC SERVICES



## 1.4 FINANCIAL HEALTH OVERVIEW

## FINANCIAL OVERVIEW

Over the period in question, the Dr Beyers Naudé Municipality succeeded in providing basic municipal services in an economic environment of continued pressure on financial resources. The institution responded to various challenges, most importantly rising costs and expansion of services to an increased number of households, keeping tariffs affordable to residents and servicing poverty-stricken households that rely on state support to weather the economic times.

The increase in debt this year is reason for alarm. Although one acknowledges the incidence of high unemployment and the historic burden of very old debt, it is clear that more needs to be done to collect monies due and payable to council. Failure will mean massive increases to rates and tariffs, which in turn will impact on the livelihood of all citizens.

The municipality is experiencing challenges with tariffs which are not cost reflective and as such management needs to urgently embark on a project to determine cost reflective tariffs and strategically implement this over the next few years.

Dr Beyers Naudé Municipality is still struggling financially and does not have sufficient cash resources to expand service delivery. The cash ration for the 2017/18 financial year was 0 months which is a clear indication that the municipality is not generating sufficient funds to build up any cash resources.

A financial recovery plan has been adopted by Council and was reviewed during December 2017. Management is committed in ensuring implementation of the plan to improve the financial position of the municipality.

The quest for better audit outcomes has necessitated the investment in human resources in all departments. The material losses experienced in electricity and water, as well as responding to the audit disclaimer of last year, required big financial outflows to address systems and personnel, as well as acquiring consulting services to address shortcomings.

In spite of all the challenges mentioned, the municipality remains ready to assume a new growth path. The relatively new senior management looks forward putting the strategic structure in place to ensure that the municipality attains its goals as set out in the IDP.

T 1.4.1

Financial Overview Year 0			
			R'000
Details	Year 0		
	Original Budget	Adjustment Budget	Actual
<b>Income:</b>			
Grants	172 199	187 512	170 187
Taxes, Levies & tariffs	201 606	204 433	199 587
Other	7 877	7 782	6 489
Sub Total	381 682	399 727	376 263
Less Expenditure	397 934	440 304	419 517
Net Total*	-16 252	-40 577	-43 254
*Note: Surplus(deficit)			

OPERATING RATIOS	
Details	%
Employee Cost	35
Repairs & Maintenance	1
Finance Charges & Impairment	3

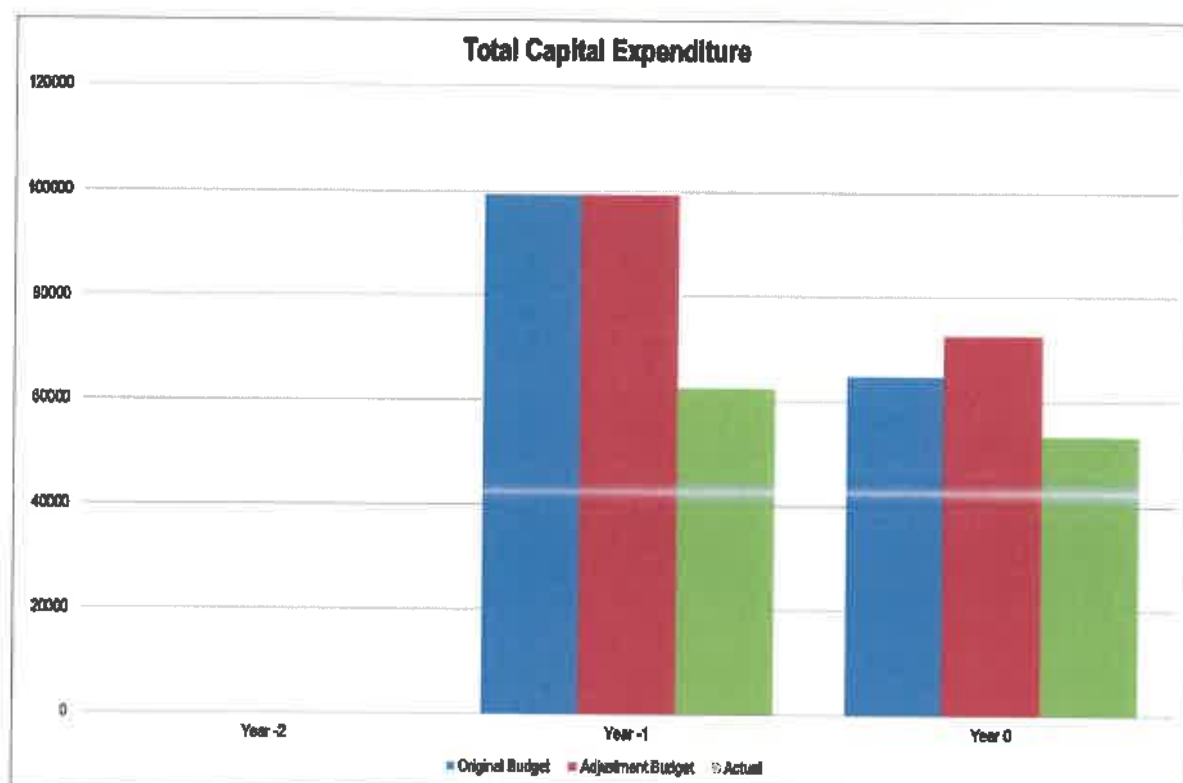
## COMMENTS ON OPERATING RATIOS

Employee cost is regarded to be within the norm. National Treasury norms are 25% - 40%.  
Repairs and Maintenance is not within the norm. National Treasury norms are 8%



Finance Charges & Impairment are regarded to be within the norm as the norm is 10%.

Total Capital Expenditure: Year -2 to Year 0			
	R'000		
Detail	Year -2	Year -1	Year 0
Original Budget	n/a	99 309	64 760
Adjustment Budget	n/a	99 309	72 647
Actual	n/a	62 450	53 459
			T 1.4.4



## COMMENTS ON CAPITAL BUDGET

The municipality did not receive all grants relating to RBIG as the department had a shortfall on funds. The municipality implemented cost cutting measures and could not fund capital items as budgeted for due to cash constraints.

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The aim of this document is to provide a Staff Structure in terms of reporting and remuneration levels for the municipality. The review of the organizational structure is a strategic process of monitoring sustainable service delivery. A recent audit process found lack of supervision at a municipal level. In response to the audit finding and informed by its service delivery objectives, the organizational structure is reviewed and developed.

To achieve the objectives set out in the IDP, it is vital that the capacity and transformation needs of the Municipality be clearly defined and understood. With the inauguration of the newly elected mayor and Councillors on 18 August 2016, a provisional organizational structure was put in place. The organogram was finally approved, but implementation is still outstanding

T 1.5.1

## 1.6 AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 2017/2018 (CURRENT YEAR)

Dr Beyers Naudé Local Municipality received a disclaimer audit opinion. The accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality.

T 1.6.1

## 1.7 STATUTORY ANUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period <i>Copy of Draft 2019/20 IDP &amp; Budget Process Plan enclosed.</i>	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	

4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as Input	January
T 1.7.1		

### COMMENT ON THE ANNUAL REPORT PROCESS

The Annual Report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of Annual Reports with information and to assess progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The contents will also assist with the annual audits.

This report should be used as a decision-making tool by the municipalities.

Every municipality and municipal entity must prepare an annual performance report, which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) section 46, and the Municipal Finance Management Act 2003 (MFMA) section 121.

The purpose of the Annual Report is:

- \* To provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- \* To provide a report on performance in service delivery and budget implementation for the financial year;

- \* To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- \* To reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

*T 1.7.1.1*

## DR BEYERS NAUDÉ LOCAL MUNICIPALITY EC101 2017 - 2022 IDP 2nd REVIEW & 2019/20 BUDGET PROCESS



### INTEGRATED ACTION PROGRAMME : ACTIVITIES & TIMELINES

"IDP is an ethos; a spirit"

Line Item	Quality (Quantity) / Key Objective	Staff Activities / Action	Responsible Agent	Stages & Action Timeline	Cost Estimate (R)	Date or Timeline	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	
PLANNING : ORGANIZATION & PREPARATION																		
1	CONDUCTS EML 466 HEC & COMRAE MEETINGS	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M) & GP Manager (M)	2.18	Monday 20 July 2018												
2	Developed Budget	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M)		Monday 20 July 2018												
3	REVIEW Budget (Free Budget)	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M)		Monday 20 July 2018												
4	GP Manager Meeting (Outstanding)	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M)		Monday 20 July 2018												
5	COMRAE MEETING	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M)		Monday 20 July 2018												
6	GP Manager Meeting (Outstanding)	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M)		Monday 20 July 2018												
7	GP Manager Meeting (Outstanding)	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M)		Monday 20 July 2018												
8	GP Manager Meeting (Outstanding)	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M)		Monday 20 July 2018												
9	GP Manager Meeting (Outstanding)	GP Manager Meeting (Outstanding) & GP Manager Meeting (Outstanding)	GP Manager (M)	GP Manager (M)		Monday 20 July 2018												

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**PROJECTS:**

Line Item	Details / Deliverables / Key Milestones	Item Activities / Actions	Responsible Agent	Relinquishers & Reviewers	Start of Timeline	End of Timeline	8/24/16	9/1/16	9/8/16	9/15/16	9/22/16	9/29/16	10/6/16	10/13/16	10/20/16	10/27/16	11/3/16	11/10/16	11/17/16	11/24/16	12/1/16	12/8/16	12/15/16	12/22/16	12/29/16	1/5/17	1/12/17	1/19/17	1/26/17	2/2/17	2/9/17	2/16/17	2/23/17	3/1/17	3/8/17	3/15/17	3/22/17	3/29/17	4/5/17	4/12/17	4/19/17	4/26/17	5/3/17	5/10/17	5/17/17	5/24/17	5/31/17	6/7/17	6/14/17	6/21/17	6/28/17	7/5/17	7/12/17	7/19/17	7/26/17	8/2/17	8/9/17	8/16/17	8/23/17	8/30/17	9/6/17	9/13/17	9/20/17	9/27/17	10/4/17	10/11/17	10/18/17	10/25/17	11/1/17	11/8/17	11/15/17	11/22/17	11/29/17	12/6/17	12/13/17	12/20/17	12/27/17	1/3/18	1/10/18	1/17/18	1/24/18	1/31/18	2/7/18	2/14/18	2/21/18	2/28/18	3/6/18	3/13/18	3/20/18	3/27/18	4/3/18	4/10/18	4/17/18	4/24/18	5/1/18	5/8/18	5/15/18	5/22/18	5/29/18	6/5/18	6/12/18	6/19/18	6/26/18	7/3/18	7/10/18	7/17/18	7/24/18	7/31/18	8/7/18	8/14/18	8/21/18	8/28/18	9/4/18	9/11/18	9/18/18	9/25/18	10/2/18	10/9/18	10/16/18	10/23/18	10/30/18	11/6/18	11/13/18	11/20/18	11/27/18	12/4/18	12/11/18	12/18/18	12/25/18	1/1/19	1/8/19	1/15/19	1/22/19	1/29/19	2/5/19	2/12/19	2/19/19	2/26/19	3/5/19	3/12/19	3/19/19	3/26/19	4/2/19	4/9/19	4/16/19	4/23/19	4/30/19	5/7/19	5/14/19	5/21/19	5/28/19	6/4/19	6/11/19	6/18/19	6/25/19	7/2/19	7/9/19	7/16/19	7/23/19	7/30/19	8/6/19	8/13/19	8/20/19	8/27/19	9/3/19	9/10/19	9/17/19	9/24/19	10/1/19	10/8/19	10/15/19	10/22/19	10/29/19	11/5/19	11/12/19	11/19/19	11/26/19	12/3/19	12/10/19	12/17/19	12/24/19	12/31/19	1/7/20	1/14/20	1/21/20	1/28/20	2/4/20	2/11/20	2/18/20	2/25/20	3/4/20	3/11/20	3/18/20	3/25/20	4/1/20	4/8/20	4/15/20	4/22/20	4/29/20	5/6/20	5/13/20	5/20/20	5/27/20	6/3/20	6/10/20	6/17/20	6/24/20	7/1/20	7/8/20	7/15/20	7/22/20	7/29/20	8/5/20	8/12/20	8/19/20	8/26/20	9/2/20	9/9/20	9/16/20	9/23/20	9/30/20	10/7/20	10/14/20	10/21/20	10/28/20	11/4/20	11/11/20	11/18/20	11/25/20	12/2/20	12/9/20	12/16/20	12/23/20	12/30/20	1/6/21	1/13/21	1/20/21	1/27/21	2/3/21	2/10/21	2/17/21	2/24/21	3/2/21	3/9/21	3/16/21	3/23/21	3/30/21	4/6/21	4/13/21	4/20/21	4/27/21	5/4/21	5/11/21	5/18/21	5/25/21	6/1/21	6/8/21	6/15/21	6/22/21	6/29/21	7/6/21	7/13/21	7/20/21	7/27/21	8/3/21	8/10/21	8/17/21	8/24/21	8/31/21	9/7/21	9/14/21	9/21/21	9/28/21	10/5/21	10/12/21	10/19/21	10/26/21	11/2/21	11/9/21	11/16/21	11/23/21	11/30/21	12/7/21	12/14/21	12/21/21	12/28/21	1/4/22	1/11/22	1/18/22	1/25/22	2/1/22	2/8/22	2/15/22	2/22/22	2/29/22	3/6/22	3/13/22	3/20/22	3/27/22	4/3/22	4/10/22	4/17/22	4/24/22	5/1/22	5/8/22	5/15/22	5/22/22	5/29/22	6/5/22	6/12/22	6/19/22	6/26/22	7/3/22	7/10/22	7/17/22	7/24/22	7/31/22	8/7/22	8/14/22	8/21/22	8/28/22	9/4/22	9/11/22	9/18/22	9/25/22	10/2/22	10/9/22	10/16/22	10/23/22	10/30/22	11/6/22	11/13/22	11/20/22	11/27/22	12/4/22	12/11/22	12/18/22	12/25/22	1/1/23	1/8/23	1/15/23	1/22/23	1/29/23	2/5/23	2/12/23	2/19/23	2/26/23	3/5/23	3/12/23	3/19/23	3/26/23	4/2/23	4/9/23	4/16/23	4/23/23	4/30/23	5/7/23	5/14/23	5/21/23	5/28/23	6/4/23	6/11/23	6/18/23	6/25/23	7/2/23	7/9/23	7/16/23	7/23/23	7/30/23	8/6/23	8/13/23	8/20/23	8/27/23	9/3/23	9/10/23	9/17/23	9/24/23	10/1/23	10/8/23	10/15/23	10/22/23	10/29/23	11/5/23	11/12/23	11/19/23	11/26/23	12/3/23	12/10/23	12/17/23	12/24/23	12/31/23	1/7/24	1/14/24	1/21/24	1/28/24	2/4/24	2/11/24	2/18/24	2/25/24	3/4/24	3/11/24	3/18/24	3/25/24	4/1/24	4/8/24	4/15/24	4/22/24	4/29/24	5/6/24	5/13/24	5/20/24	5/27/24	6/3/24	6/10/24	6/17/24	6/24/24	7/1/24	7/8/24	7/15/24	7/22/24	7/29/24	8/5/24	8/12/24	8/19/24	8/26/24	9/2/24	9/9/24	9/16/24	9/23/24	9/30/24	10/7/24	10/14/24	10/21/24	10/28/24	11/4/24	11/11/24	11/18/24	11/25/24	12/2/24	12/9/24	12/16/24	12/23/24	12/30/24	1/6/25	1/13/25	1/20/25	1/27/25	2/3/25	2/10/25	2/17/25	2/24/25	3/2/25	3/9/25	3/16/25	3/23/25	3/30/25	4/6/25	4/13/25	4/20/25	4/27/25	5/4/25	5/11/25	5/18/25	5/25/25	6/1/25	6/8/25	6/15/25	6/22/25	6/29/25	7/6/25	7/13/25	7/20/25	7/27/25	8/3/25	8/10/25	8/17/25	8/24/25	8/31/25	9/7/25	9/14/25	9/21/25	9/28/25	10/5/25	10/12/25	10/19/25	10/26/25	11/2/25	11/9/25	11/16/25	11/23/25	11/30/25	12/7/25	12/14/25	12/21/25	12/28/25	1/4/26	1/11/26	1/18/26	1/25/26	2/1/26	2/8/26	2/15/26	2/22/26	2/29/26	3/6/26	3/13/26	3/20/26	3/27/26	4/3/26	4/10/26	4/17/26	4/24/26	5/1/26	5/8/26	5/15/26	5/22/26	5/29/26	6/5/26	6/12/26	6/19/26	6/26/26	7/3/26	7/10/26	7/17/26	7/24/26	7/31/26	8/7/26	8/14/26	8/21/26	8/28/26	9/4/26	9/11/26	9/18/26	9/25/26	10/2/26	10/9/26	10/16/26	10/23/26	10/30/26	11/6/26	11/13/26	11/20/26	11/27/26	12/4/26	12/11/26	12/18/26	12/25/26	1/1/27	1/8/27	1/15/27	1/22/27	1/29/27	2/5/27	2/12/27	2/19/27	2/26/27	3/5/27	3/12/27	3/19/27	3/26/27	4/2/27	4/9/27	4/16/27	4/23/27	4/30/27	5/7/27	5/14/27	5/21/27	5/28/27	6/4/27	6/11/27	6/18/27	6/25/27	7/2/27	7/9/27	7/16/27	7/23/27	7/30/27	8/6/27	8/13/27	8/20/27	8/27/27	9/3/27	9/10/27	9/17/27	9/24/27	10/1/27	10/8/27	10/15/27	10/22/27	10/29/27	11/5/27	11/12/27	11/19/27	11/26/27	12/3/27	12/10/27	12/17/27	12/24/27	12/31/27	1/7/28	1/14/28	1/21/28	1/28/28	2/4/28	2/11/28	2/18/28	2/25/28	3/4/28	3/11/28	3/18/28	3/25/28	4/1/28	4/8/28	4/15/28	4/22/28	4/29/28	5/6/28	5/13/28	5/20/28	5/27/28	6/3/28	6/10/28	6/17/28	6/24/28	7/1/28	7/8/28	7/15/28	7/22/28	7/29/28	8/5/28	8/12/28	8/19/28	8/26/28	9/2/28	9/9/28	9/16/28	9/23/28	9/30/28	10/7/28	10/14/28	10/21/28	10/28/28	11/4/28	11/11/28	11/18/28	11/25/28	12/2/28	12/9/28	12/16/28	12/23/28	12/30/28	1/6/29	1/13/29	1/20/29	1/27/29	2/3/29	2/10/29	2/17/29	2/24/29	3/2/29	3/9/29	3/16/29	3/23/29	3/30/29	4/6/29	4/13/29	4/20/29	4/27/29	5/4/29	5/11/29	5/18/29	5/25/29	6/1/29	6/8/29	6/15/29	6/22/29	6/29/29	7/6/29	7/13/29	7/20/29	7/27/29	8/3/29	8/10/29	8/17/29	8/24/29	8/31/29	9/7/29	9/14/29	9/21/29	9/28/29	10/5/29	10/12/29	10/19/29	10/26/29	11/2/29	11/9/29	11/16/29	11/23/29	11/30/29	12/7/29	12/14/29	12/21/29	12/28/29	1/4/30	1/11/30	1/18/30	1/25/30	2/1/30	2/8/30	2/15/30	2/22/30	2/29/30	3/6/30	3/13/30	3/20/30	3/27/30	4/3/30	4/10/30	4/17/30	4/24/30	5/1/30	5/8/30	5/15/30	5/22/30	5/29/30	6/5/30	6/12/30	6/19/30	6/26/30	7/3/30	7/10/30	7/17/30	7/24/30	7/31/30	8/7/30	8/14/30	8/21/30	8/28/30	9/4/30	9/11/30	9/18/30	9/25/30	10/2/30	10/9/30	10/16/30	10/23/30	10/30/30	11/6/30	11/13/30	11/20/30	11/27/30	12/4/30	12/11/30	12/18/30	12/25/30	1/1/31	1/8/31	1/15/31	1/22/31	1/29/31	2/5/31	2/12/31	2/19/31	2/26/31	3/5/31	3/12/31	3/19/31	3/26/31	4/2/31	4/9/31	4/16/31	4/23/31	4/30/31	5/7/31	5/14/31	5/21/31	5/28/31	6/4/31	6/11/31	6/18/31	6/25/31	7/2/31	7/9/31	7/16/31	7/23/31	7/30/31	8/6/31	8/13/31	8/20/31	8/27/31	9/3/31	9/10/31	9/17/31	9/24/31	10/1/31	10/8/31	10/15/31	10/22/31	10/29/31	11/5/31	11/12/31	11/19/31	11/26/31	12/3/31	12/10/31	12/17/31	12/24/31	12/31/31	1/7/32	1/14/32	1/21/32	1/28/32	2/4/32	2/11/32	2/18/32	2/25/32	3/4/32	3/11/32	3/18/32	3/25/32	4/1/32	4/8/32	4/15/32	4/22/32	4/29/32	5/6/32	5/13/32	5/20/32	5/27/32	6/3/32	6/10/32	6/17/32	6/24/32	7/1/32	7/8/32	7/15/32	7/22/32	7/29/32	8/5/32	8/12/32	8/19/32	8/26/32	9/2/32	9/9/32	9/16/32	9/23/32	9/30/32	10/7/32	10/14/32	10/21/32	10/28/32	11/4/32	11/11/32	11/18/32	11/25/32	12/2/32	12/9/32	12/16/32	12/23/32	12/30/32	1/6/33	1/13/33	1/20/33	1/27/33	2/3/33	2/10/33	2/17/33	2/24/33	3/2/33	3/9/33	3/16/33	3/23/33	3/30/33	4/6/33	4/13/33	4/20/33	4/27/33	5/4/33	5/11/33	5/18/33	5/25/33	6/1/33	6/8/33	6/15/33	6/22/33	6/29/33	7/6/33	7/13/33	7/20/33	7/27/33	8/3/33	8/10/33	8/17/33	8/24/33	8/31/33	9/7/33	9/14/33	9/21/33	9/28/33	10/5/33	10/12/33	10/19/33	10/26/33	11/2/33	11/9/33	11/16/33	11/23/33	11/30/33	12/7/33	12/14/33	12/21/33	12/28/33	1/4/34	1/11/34	1/18/34	1/25/34	2/1/34	2/8/34	2/15/34	2/22/34	2/29/34	3/6/34	3/13/34	3/20/34	3/27/34	4/3/34	4/10/34	4/17/34	4/24/34	5/1/34	5/8/34	5/15/34	5/22/34	5/29/34	6/5/34	6/12/34	6/19/34	6/26/34	7/3/34	7/10/34	7/17/34	7/24/34	7/31/34	8/7/34	8/14/34	8/21/34	8/28/34	9/4/34	9/11/34	9/18/34	9/25/34	10/2/34	10/9/34	10/16/34	10/23/34	10/30/34	11/6/34	11/13/34	11/20/34	11/27/34	12/4/34	12/11/34	12/18/34	12/25/34	1/1/35	1/8/35	1/15/35	1/22/35	1/29/35	2/5/35	2/12/35	2/19/35	2/26/35	3/5/35	3/12/35	3/19/35	3/26/35	4/2/35	4/9/35	4/16/35	4/23/35	4/30/35	5/7/35	5/14/35	5/21/35	5/28/35	6/4/35	6/11/35	6/18/35	6/25/35	7/2/35	7/9/35	7/16/35	7/23/35	7/30/35	8/6/35	8/13/35	8/20/35	8/27/35	9/3/35	9/10/35	9/17/35	9/24/35	10/1/35	10/8/35	10/15/35	10/22/35	10/29/35	11/5/35	11/12/35	11/19/35	11/26/35	12/3/35	12/10/35	12/17/35	12/24/35	12/31/35	1/7/36	1/14/36	1/21/36	1/28/36	2/4/36	2/11/36	2/18/36	2/25/36	3/4/36	3/11/36	3/18/36	3
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**TH: Body: 5 30714**

Item	Item / Committee / Day	Topic / Subject / Action	Responsible Agent	Manager / Internal Reference	Date of Threshold	Cost Estimate (€)	Status	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	Jul '22	Aug '22	Sep '22	Oct '22	Nov '22	Dec '22	Jan '23	Feb '23	Mar '23	Apr '23	May '23	Jun '23	Jul '23	Aug '23	Sep '23	Oct '23	Nov '23	Dec '23	Jan '24	Feb '24	Mar '24	Apr '24	May '24	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Apr '26	May '26	Jun '26	Jul '26	Aug '26	Sep '26	Oct '26	Nov '26	Dec '26	Jan '27	Feb '27	Mar '27	Apr '27	May '27	Jun '27	Jul '27	Aug '27	Sep '27	Oct '27	Nov '27	Dec '27	Jan '28	Feb '28	Mar '28	Apr '28	May '28	Jun 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'22	Apr '22	May '22	Jun '22	Jul '22	Aug '22	Sep '22	Oct '22	Nov '22	Dec '22	Jan '23	Feb '23	Mar '23	Apr '23	May '23	Jun '23	Jul '23	Aug '23	Sep '23	Oct '23	Nov '23	Dec '23	Jan '24	Feb '24	Mar '24	Apr '24	May '24	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Apr '26	May '26	Jun '26	Jul '26	Aug '26	Sep '26	Oct '26	Nov '26	Dec '26	Jan '27	Feb '27	Mar '27	Apr '27	May '27	Jun '27	Jul '27	Aug '27	Sep '27	Oct '27	Nov '27	Dec '27	Jan '28	Feb '28	Mar '28	Apr '28	May '28	Jun '28	Jul '28	Aug '28	Sep '28	Oct '28	Nov '28	Dec '28	Jan '29	Feb '29	Mar '29	Apr '29	May '29	Jun '29	Jul '29	Aug '29	Sep '29	Oct '29	Nov '29	Dec '29	Jan '30	Feb '30	Mar '30	Apr '30	May '30	Jun '30	Jul '30	Aug '30	Sep '30	Oct '30	Nov '30	Dec '30	Jan '31	Feb '31	Mar '31	Apr '31	May '31	Jun '31	Jul '31	Aug '31	Sep '31	Oct '31	Nov '31	Dec '31	Jan '32	Feb '32	Mar '32	Apr '32	May '32	Jun '32	Jul '32	Aug '32	Sep '32	Oct '32	Nov '32	Dec '32	Jan '33	Feb '33	Mar '33	Apr '33	May '33	Jun '33	Jul '33	Aug '
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Unit No.	Section / Division / May Sub-items	Item Sub-Item / Actions	Responsible Agent	Timeline & Related Documents	Cost Estimate (\$K)	STATUS	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Jul-30	Aug-30	Sep-30	Oct-30	Nov-30	Dec-30	Jan-31	Feb-31	Mar-31	Apr-31	May-31	Jun-31	Jul-31	Aug-31	Sep-31	Oct-31	Nov-31	Dec-31	Jan-32	Feb-32	Mar-32	Apr-32	May-32	Jun-32	Jul-32	Aug-32	Sep-32	Oct-32	Nov-32	Dec-32	Jan-33	Feb-33	Mar-33	Apr-33	May-33	Jun-33	Jul-33	Aug-33	Sep-33	Oct-33	Nov-33	Dec-33	Jan-34	Feb-34	Mar-34	Apr-34	May-34	Jun-34	Jul-34	Aug-34	Sep-34	Oct-34	Nov-34	Dec-34	Jan-35	Feb-35	Mar-35	Apr-35	May-35	Jun-35	Jul-35	Aug-35	Sep-35	Oct-35	Nov-35	Dec-35	Jan-36	Feb-36	Mar-36	Apr-36	May-36	Jun-36	Jul-36	Aug-36	Sep-36	Oct-36	Nov-36	Dec-36	Jan-37	Feb-37	Mar-37	Apr-37	May-37	Jun-37	Jul-37	Aug-37	Sep-37	Oct-37	Nov-37	Dec-37	Jan-38	Feb-38	Mar-38	Apr-38	May-38	Jun-38	Jul-38	Aug-38	Sep-38	Oct-38	Nov-38	Dec-38	Jan-39	Feb-39	Mar-39	Apr-39	May-39	Jun-39	Jul-39	Aug-39	Sep-39	Oct-39	Nov-39	Dec-39	Jan-40	Feb-40	Mar-40	Apr-40	May-40	Jun-40	Jul-40	Aug-40	Sep-40	Oct-40	Nov-40	Dec-40	Jan-41	Feb-41	Mar-41	Apr-41	May-41	Jun-41	Jul-41	Aug-41	Sep-41	Oct-41	Nov-41	Dec-41	Jan-42	Feb-42	Mar-42	Apr-42	May-42	Jun-42	Jul-42	Aug-42	Sep-42	Oct-42	Nov-42	Dec-42	Jan-43	Feb-43	Mar-43	Apr-43	May-43	Jun-43	Jul-43	Aug-43	Sep-43	Oct-43	Nov-43	Dec-43	Jan-44	Feb-44	Mar-44	Apr-44	May-44	Jun-44	Jul-44	Aug-44	Sep-44	Oct-44	Nov-44	Dec-44	Jan-45	Feb-45	Mar-45	Apr-45	May-45	Jun-45	Jul-45	Aug-45	Sep-45	Oct-45	Nov-45	Dec-45	Jan-46	Feb-46	Mar-46	Apr-46	May-46	Jun-46	Jul-46	Aug-46	Sep-46	Oct-46	Nov-46	Dec-46	Jan-47	Feb-47	Mar-47	Apr-47	May-47	Jun-47	Jul-47	Aug-47	Sep-47	Oct-47	Nov-47	Dec-47	Jan-48	Feb-48	Mar-48	Apr-48	May-48	Jun-48	Jul-48	Aug-48	Sep-48	Oct-48	Nov-48	Dec-48	Jan-49	Feb-49	Mar-49	Apr-49	May-49	Jun-49	Jul-49	Aug-49	Sep-49	Oct-49	Nov-49	Dec-49	Jan-50	Feb-50	Mar-50	Apr-50	May-50	Jun-50	Jul-50	Aug-50	Sep-50	Oct-50	Nov-50	Dec-50	Jan-51	Feb-51	Mar-51	Apr-51	May-51	Jun-51	Jul-51	Aug-51	Sep-51	Oct-51	Nov-51	Dec-51	Jan-52	Feb-52	Mar-52	Apr-52	May-52	Jun-52	Jul-52	Aug-52	Sep-52	Oct-52	Nov-52	Dec-52	Jan-53	Feb-53	Mar-53	Apr-53	May-53	Jun-53	Jul-53	Aug-53	Sep-53	Oct-53	Nov-53	Dec-53	Jan-54	Feb-54	Mar-54	Apr-54	May-54	Jun-54	Jul-54	Aug-54	Sep-54	Oct-54	Nov-54	Dec-54	Jan-55	Feb-55	Mar-55	Apr-55	May-55	Jun-55	Jul-55	Aug-55	Sep-55	Oct-55	Nov-55	Dec-55	Jan-56	Feb-56	Mar-56	Apr-56	May-56	Jun-56	Jul-56	Aug-56	Sep-56	Oct-56	Nov-56	Dec-56	Jan-57	Feb-57	Mar-57	Apr-57	May-57	Jun-57	Jul-57	Aug-57	Sep-57	Oct-57	Nov-57	Dec-57	Jan-58	Feb-58	Mar-58	Apr-58	May-58	Jun-58	Jul-58	Aug-58	Sep-58	Oct-58	Nov-58	Dec-58	Jan-59	Feb-59	Mar-59	Apr-59	May-59	Jun-59	Jul-59	Aug-59	Sep-59	Oct-59	Nov-59	Dec-59	Jan-60	Feb-60	Mar-60	Apr-60	May-60	Jun-60	Jul-60	Aug-60	Sep-60	Oct-60	Nov-60	Dec-60	Jan-61	Feb-61	Mar-61	Apr-61	May-61	Jun-61	Jul-61	Aug-61	Sep-61	Oct-61	Nov-61	Dec-61	Jan-62	Feb-62	Mar-62	Apr-62	May-62	Jun-62	Jul-62	Aug-62	Sep-62	Oct-62	Nov-62	Dec-62	Jan-63	Feb-63	Mar-63	Apr-63	May-63	Jun-63	Jul-63	Aug-63	Sep-63	Oct-63	Nov-63	Dec-63	Jan-64	Feb-64	Mar-64	Apr-64	May-64	Jun-64	Jul-64	Aug-64	Sep-64	Oct-64	Nov-64	Dec-64	Jan-65	Feb-65	Mar-65	Apr-65	May-65	Jun-65	Jul-65	Aug-65	Sep-65	Oct-65	Nov-65	Dec-65	Jan-66	Feb-66	Mar-66	Apr-66	May-66	Jun-66	Jul-66	Aug-66	Sep-66	Oct-66	Nov-66	Dec-66	Jan-67	Feb-67	Mar-67	Apr-67	May-67	Jun-67	Jul-67	Aug-67	Sep-67	Oct-67	Nov-67	Dec-67	Jan-68	Feb-68	Mar-68	Apr-68	May-68	Jun-68	Jul-68	Aug-68	Sep-68	Oct-68	Nov-68	Dec-68	Jan-69	Feb-69	Mar-69	Apr-69	May-69	Jun-69	Jul-69	Aug-69	Sep-69	Oct-69	Nov-69	Dec-69	Jan-70	Feb-70	Mar-70	Apr-70	May-70	Jun-70	Jul-70	Aug-70	Sep-70	Oct-70	Nov-70	Dec-70	Jan-71	Feb-71	Mar-71	Apr-71	May-71	Jun-71	Jul-71	Aug-71	Sep-71	Oct-71	Nov-71	Dec-71	Jan-72	Feb-72	Mar-72	Apr-72	May-72	Jun-72	Jul-72	Aug-72	Sep-72	Oct-72	Nov-72	Dec-72	Jan-73	Feb-73	Mar-73	Apr-73	May-73	Jun-73	Jul-73	Aug-73	Sep-73	Oct-73	Nov-73	Dec-73	Jan-74	Feb-74	Mar-74	Apr-74	May-74	Jun-74	Jul-74	Aug-74	Sep-74	Oct-74	Nov-74	Dec-74	Jan-75	Feb-75	Mar-75	Apr-75	May-75	Jun-75	Jul-75	Aug-75	Sep-75	Oct-75	Nov-75	Dec-75	Jan-76	Feb-76	Mar-76	Apr-76	May-76	Jun-76	Jul-76	Aug-76	Sep-76	Oct-76	Nov-76	Dec-76	Jan-77	Feb-77	Mar-77	Apr-77	May-77	Jun-77	Jul-77	Aug-77	Sep-77	Oct-77	Nov-77	Dec-77	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Jan-79	Feb-79	Mar-79	Apr-79	May-79	Jun-79	Jul-79	Aug-79	Sep-79	Oct-79	Nov-79	Dec-79	Jan-80	Feb-80	Mar-80	Apr-80	May-80	Jun-80	Jul-80	Aug-80	Sep-80	Oct-80	Nov-80	Dec-80	Jan-81	Feb-81	Mar-81	Apr-81	May-81	Jun-81	Jul-81	Aug-81	Sep-81	Oct-81	Nov-81	Dec-81	Jan-82	Feb-82	Mar-82	Apr-82	May-82	Jun-82	Jul-82	Aug-82	Sep-82	Oct-82	Nov-82	Dec-82	Jan-83	Feb-83	Mar-83	Apr-83	May-83	Jun-83	Jul-83	Aug-83	Sep-83	Oct-83	Nov-83	Dec-83	Jan-84	Feb-84	Mar-84	Apr-84	May-84	Jun-84	Jul-84	Aug-84	Sep-84	Oct-84	Nov-84	Dec-84	Jan-85	Feb-85	Mar-85	Apr-85	May-85	Jun-85	Jul-85	Aug-85	Sep-85	Oct-85	Nov-85	Dec-85	Jan-86	Feb-86	Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86	Jan-87	Feb-87	Mar-87	Apr-87	May-87	Jun-87	Jul-87	Aug-87	Sep-87	Oct-87	Nov-87	Dec-87	Jan-88	Feb-88	Mar-88	Apr-88	May-88	Jun-88	Jul-88	Aug-88	Sep-88	Oct-88	Nov-88	Dec-88	Jan-89	Feb-89	Mar-89	Apr-89	May-89	Jun-89	Jul-89	Aug-89	Sep-89	Oct-89	Nov-89	Dec-89	Jan-90	Feb-90	Mar-90	Apr-90	May-90	Jun-90	Jul-90	Aug-90	Sep-90	Oct-90	Nov-90	Dec-90	Jan-91	Feb-91	Mar-91	Apr-91	May-91	Jun-91	Jul-91	Aug-91	Sep-91	Oct-91	Nov-91	Dec-91	Jan-92	Feb-92	Mar-92	Apr-92	May-92	Jun-92	Jul-92	Aug-92	Sep-92	Oct-92	Nov-92	Dec-92	Jan-93	Feb-93	Mar-93	Apr-93	May-93	Jun-93	Jul-93	Aug-93	Sep-93	Oct-93	Nov-93	Dec-93	Jan-94	Feb-94	Mar-94	Apr-94	May-94	Jun-94	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Jul-95	Aug-95	Sep-95	Oct-95	Nov-95	Dec-95	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Jul-30	Aug-30	Sep-30	Oct-30	Nov-30	Dec-30	Jan-31	Feb-31	Mar-31	Apr-31	May-31	Jun-31	Jul-31	Aug-31	Sep-31	Oct-31	Nov-31	Dec-31	Jan-32	Feb-32	Mar-32	Apr-32	May-32	Jun-32	Jul-32	Aug-
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### CHAPTER 2 – GOVERNANCE

#### INTRODUCTION TO GOVERNANCE

Dr Beyers Naudé Local Municipality strives to, within its financial and administrative capacity achieve the objectives set out in Section 1 of Chapter 7 of the Constitution.

Dr Beyers Naudé Local Municipality is a Category B Municipality as stipulated in the Municipal Structures Act (Act 117/98). This is a Collective Executive System type municipality. Council takes its mandate from section 152 of the Constitution namely within its financial and administrative capacity to achieve the objectives of Local Government.

Council approved an Administrative Structure through its staff establishment to ensure that all Council resolutions are implemented diligently. The staff establishment consists of an Institutional Structure (Organogram) with all posts included deliver on the mandate of Council and it includes the macro and micro structure (Senior Management, middle management and other staff) in line with the human resources needs of Council to implement the IDP.

Council is also dependent on sound intergovernmental relations with the other spheres of government to ensure integrated planning and resource mobilization for significant impact in the community. All decision making is reliant on the effective participation of the residents and the responsiveness of the Council and the municipality to ensure public accountability. Dr Beyers Naudé Local Municipality worked very well with the community during the 2017/18 financial year through Mayoral Outreach meetings, ward meetings, ward committee meetings as well as stakeholder meetings through the IDP process and IDP Representative forum meetings. Co-operation with CDWs is not well and has to improve.

T 2.0.1

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipality works together as Council the Administration and the Communities in order to meet the set vision and Mission enshrined in its 2017- 2022 Integrated Development Plan.

T 2.1.0

### 2.1 POLITICAL GOVERNANCE

#### INTRODUCTION TO POLITICAL GOVERNANCE

Council has four (4) Standing Committees that meet as per the Year Planner. There are also several sub-committees that have been established but more training is needed to improve their functioning. Ordinary and Special Council meetings sit as scheduled – as per the year planner. MPAC has also been established but has indicated that more training is needed. Ordinary and Special Council Meetings sit as scheduled – as per the Year Planner. The Rules of Order, Delegations Register and the Municipal Code are all in place. The Local Labour Forum has not always met as scheduled, especially for the latter part of 2017/18.

The relationship between Council and Organized labour is fairly sound and healthy. Very few service delivery protests have been experienced during the last year under review.

T

#### 2.1.1



**MAYOR**  
(CLLR. DEON DE VOS)

Function



**SPEAKER**  
(CLLR. THEMBISA NONNIES)

## Chapter 3



**CHIEF WHIP**  
(CLLR. ANGELINE BOOYSEN)



**WHIP**  
(CLLR. ELDAN CAROLUS)

### **EXECUTIVE COMMITTEE** (Names)

- **CLLR. DEON WESLEY SAM DE VOS** – MAYOR AND CHAIRPERSON OF EXCO
- **CLLR. PIETER WILLIAM KOEBERG** – CHAIRPERSON OF ENGINEERING AND PLANNING
- **CLLR. SAMANTHA JANE GRAHAM** – CHAIRPERSON OF CORPORATE SERVICES
- **CLLR. EWALD LAURENS LOOCK** – CHAIRPERSON OF BUDGET AND TREASURY
- **CLLR. NOTZI PHYLLIS VANDA** – CHAIRPERSON OF COMMUNITY SERVICES

*T 2.1.1*

### **COUNCILLORS**

Dr Beyers Naude Local Municipality has a total of 27 Councillors of which 14 are ward Councillors and 13 Councillors appointed on a proportional basis.

*T 2.1.2*

### POLITICAL DECISION-TAKING

Council has four (4) Portfolio Committees which submit reports with recommendations to the Executive Committee which, after considered the reports received from the Portfolio Committees, forward these reports to Council for final decision. Council may delegate certain powers to any of its committees. These powers can also be withdrawn by Council at any time.

Committees therefore give assistance to Council to ensure effective decision-making. Council's decision-making process is also being influenced by inputs and advice received from the community through Ward Committees. There are fourteen (14) Ward Committees and they meet monthly. Some matters are lifted from their meetings to the Portfolio and Executive Committees and ultimately to the Council Agenda for consideration.

T 2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Dr Bayers Naudé Municipal Council consists of twenty-seven (27) Councillors selected in accordance with sub-sections (2), (3), (4) and (5) of the Constitution.

Decisions are being taken by Council during Council Meetings, scheduled as per the Year Planner. The administration strives to implement such Council decisions/resolutions in the shortest period of time after resolutions have been taken.

T 2.2.1

### TOP ADMINISTRATIVE TRUCTURE



**MUNICIPAL MANAGER**  
**(DR. EDWARD RANKWANA)**

## Chapter 3



**DIRECTOR:**

(HELEEN KOK)  
DIRECTOR: BUDGET AND  
TREASURY (CFO)



**DIRECTOR:**

(IVOR BERRINGTON)  
DIRECTOR: ENGINEERING  
AND PLANNING



**ACTING DIRECTOR:**

(ZOLEKA KALI)  
ACTING DIRECTOR:  
CORPORATE SERVICES



**ACTING DIRECTOR:**

(BENJAMIN ARENDS)  
ACTING DIRECTOR:  
COMMUNITY SERVICES



### COMPONENT B: INTERGOVERNMENTAL RELATIONS

#### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Intergovernmental Relations are of utmost importance to Dr Beyers Naudé Local Municipality. The Council Operates within the confines of the Intergovernmental Framework Act and Chapter 3 of the Constitution of the Republic of South Africa to ensure good relations with all spheres of government in the interest of the community. There is a local IGR Forum in place, with the aim of bringing all sectors and departments of Provincial and National Government together to plan for development in the Dr Beyers Naudé local Municipality's area of jurisdiction. The representatives of the IGR Forum provide information programs and projects earmarked for the municipal area.

Dr Beyers Naudé Local Municipality is also represented at the Sarah Baartman District Municipal IGR Forum to meet with National and Provincial Governments Departments where Senior Officials attend with the objective of the alignment of the National Development Plan, the Provincial Growth and Development Strategy and the District IDP and the Municipal IDP's.

The IGR Forums provide relevant information from the two other spheres of Government to the municipality to include the Municipal IDP to ensure a seamless integrated development process with significant impact for the local community.

The MEC for Co-operative Governance and Traditional Affairs in the Province of the Eastern Cape also convenes a MuniMec Meeting for Mayor and Municipal Managers to interact on the Key Performance Areas on government as well as using this platform to address issues related to IGR.

T 2.3.0

### 2.3 INTERGOVERNMENTAL RELATIONS

#### NATIONAL INTERGOVERNMENTAL STRUCTURES

Dr Beyers Naudé Local Municipality has representative attending the IGR, meetings conducted by SALGA

T 2.3.1

#### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Dr Beyers Naudé Local Municipality sometimes has quarterly IGR, meetings with the different Sector Departments.

T 2.3.2

### RELATIONSHIPS WITH MUNICIPAL ENTITIES

A District Development Agency, namely Cacadu Development Agency, has been established by Sarah Baartman District Municipality to assist the Local Municipalities within the district with local economic development. Dr Beyers Naudé Local Municipality has no municipal entities.

T 2.3.3

### DISTRICT INTERGOVERNMENTAL RELATIONS

District Intergovernmental Relations meetings are convened by the Sarah Baartman District Municipality. The local Intergovernmental Relations has not been very effective and active during the financial year under review. There were no quarterly meetings held between the municipality and Sector Departments.

The relationship between the Sector Departments and the municipality is stable but needs to improve. The municipality works with Provincial and district Departments especially the Office of the Premier and Departments such as DSRAC, Rural Development, Social Development and Human Settlements.

T 2.3.4

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

*Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.*

**Delete Directive note once comment is completed** - Provide a brief comment on how your municipality carries out these responsibilities, improvements made during the year and benefits derived from these activities during the year.

T 2.4.0

### 2.4 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

Communication Office mainly communicates with the public through notices in the local newspaper. Numerous notices have been sent out; examples are the water restriction notice, cleaning of reservoirs (see attached in email). The Mayor held stakeholder as well as public meetings in each town in the municipal area to inform them of the current state of the municipality; Jansenville, Klipplaat, Steytlerville, Willowmore, Aberdeen and Graaff-Reinet (see attached schedule). Stakeholder meetings are attended by the SAPS, DOH, church representatives, SASSA, Social development, Home Affairs and other public members of interest.

A Local Communications Forum was established and the first meeting was held on 06 December 2018, where it was attended by Home Affairs, Social Development, SAPS and IEC. The establishment of the forum is to have a communication channel between government departments and the municipality. To enable stakeholders and the municipality to discuss communication issues and for all to be informed about things that is happening on the ground within communities. Also to share upcoming plans within each department.

The municipal website has not been at a standard as intended. The municipality relies on a service provider for maintenance and updating of the website

T 2.4.1

#### WARD COMMITTEES

The objective of a Ward Committee is to enhance participatory democracy in Local Government, as public participation is considered one of the key tenets of democratic governance in South Africa. A Ward Committee has the power to make recommendations on any matters affecting its Ward through the Ward Councillor to the Municipal Council.

In response to the constitutional directive to involve communities in decision-making and ensuring services are brought to the people, Ward Committees have been in the forefront in mobilizing communities for free basic services and in community-based planning. Ward Committees as the mouthpiece of the community has been reporting service delivery issues be it Local, Provincial or National Government matters.

Ward Committees were established to serve as participatory structures and to be the formal, unbiased communication channels of the community, as well as to create co-operative partnerships between the community and the Council.

Wards make recommendations through the Ward Committees to Council; conduct Satisfaction Surveys to assist the Committee in its work; express dissatisfaction of non-performance; advise and make recommendations on policy affecting residents and Wards; spread information concerning Municipal affairs such as the Budget, IDP, Service Delivery options and Municipal properties; receive queries and complaints; ensure participation of the community in service payment campaigns; inform

## Chapter 3

about the IDP and Budget processes, decisions on Municipal service provision and by-laws, etc. The Ward Committees must act in the best interests of the community.

T 2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
<b>1<sup>ST</sup> REVIEW OF 2017 - 2022 IDP FOR DR BEYERS NAUDÉ LOCAL MUNICIPALITY : ANALYSIS PHASE</b>						
<b>▪ WARD-BASED PUBLIC PARTICIPATION MEETINGS FOR REVIEW OF WARD DEVELOPMENT PRIORITIES</b>						
WARD 1 CBP Public Meeting with Community members	28/08/2017	Ward & PR Councillor (Mayor ex Officio)	IDP Manager	80	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 2 CBP Public Meeting with Community members	11/08/2017 12/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP Manager	14 60	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 3 CBP Public Meeting with Community members	30/08/2017	Ward & PR Councillor (Mayor ex Officio)	IDP Manager	70	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 4 CBP Public Meeting with Community members	13/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP Manager	75	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 5 CBP Public Meeting with Community members	06/09/2017 10/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP Manager	10 5	No, meetings adjourned due to poor turn-out	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 6 CBP Public Meeting with Community members	07/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP Manager	55	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 7 CBP Public Meeting with Community members	31/08/2017	Ward & PR Councillor (Mayor ex Officio)	IDP Manager	9	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 8 CBP Public Meeting with Community members	09/10/2017 11/10/2017 12/10/2017	Ward & PR Councillor (Mayor ex Officio)	IDP/Comms Admin. Officer (Willownmore)	50 52 39	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.

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WARD 9 CBP Public Meeting with Community members	11/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP/Comms Admin. Officer (Willowmore)	31	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 10 CBP Public Meeting with Community members	28/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP/Comms Admin. Officer (Willowmore)	58	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 11 CBP Public Meeting with Community members	28/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP/Comms Admin. Officer (Willowmore)	54	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 12 CBP Public Meeting with Community members	-	Ward & PR Councillor (Mayor ex Officio)	IDP/Comms Admin. Officer (Willowmore)	-	No, Ward Councillor did not hold meeting	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 13 CBP Public Meeting with Community members	26/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP/Comms Admin. Officer (Willowmore)	38 37	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.
WARD 14 CBP Public Meeting with Community members	05/09/2017	Ward & PR Councillor (Mayor ex Officio)	IDP Manager	35	Yes, interactive discussions & input received	Mayoral Outreach April 2018, feedback given on reviewed Ward Development Priorities and ratings.

### MAYORAL OUTREACH TO ALL 14 WARDS TO INTRODUCE DRAFT 2018/19 IDP, KPIs AND TARGETS, DRAFT 2018/19 BUDGET, RATES & TARIFFS – CONTINUATION OF PUBLIC PARTICIPATION PROGRAMME

WARD 1 Mayoral Outreach	04/04/2018	Mayor, Speaker, Ward & PR Cllrs	MM, CFO, IDP Manager, Director/Asst Dir. of Infra & Planning plus other HODs	35 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 2 Mayoral Outreach	12/04/2018 24/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, IDP Manager, Director/Asst Dir. of Infra & Planning plus other HODs	45 (NB) 50 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 3 Mayoral Outreach	19/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, IDP Manager, Director/Asst Dir. of Infra & Planning plus other HODs	65 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 4 Mayoral Outreach	23/04/2018 24/04/2018 25/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, IDP Manager, Director/Asst Dir. of Infra &	75, 50 & 70 (combined meetings)	Yes, interactive discussions & input	Where applicable, issues were taken up in IDP, or referred to the responsible

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			Planning plus other HODs		received	Mun/Sector Dept.
WARD 5 Mayoral Outreach	23/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, IDP Manager, Director/Asst Dir. of Infra & Planning plus other HODs	75 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 6 Mayoral Outreach	25/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, IDP Manager, Director/Asst Dir. of Infra & Planning plus other HODs	70 (combined meeting)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 7 Mayoral Outreach	04/04/2018 24/04/2018	Mayor, Speaker, Ward & PR Cllrs	MM, CFO, IDP Manager, Director/Asst Dir. of Infra & Planning plus other HODs	35 & 50 (combined meetings)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 8 Mayoral Outreach	11/04/2018 16/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, HD Officer (WM), Director/Asst Dir. of Infra & Planning plus other HODs	30, 90, 12 & 25 (in different areas of the Ward)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 9 Mayoral Outreach	10/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, HD Officer (WM), Director/Asst Dir. of Infra & Planning plus other HODs	65	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 10 Mayoral Outreach	05/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, HD Officer (WM), Director/Asst Dir. of Infra & Planning plus other HODs	85	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 11 Mayoral Outreach	05/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, HD Officer (WM), Director/Asst Dir. of Infra & Planning plus other HODs	75	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 12 Mayoral Outreach	05/04/2018 18/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, HD Officer (WM), Director/Asst Dir. of Infra & Planning plus other HODs	20 & 40 (in different areas of the Ward)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.



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WARD 13 Mayoral Outreach	10/04/2018 17/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, HD Officer (WM), Director/Asst Dir. of Infra & Planning plus other HODs	65 & 30 (combined meetings)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
WARD 14 Mayoral Outreach	19/04/2018	Mayor, Ward & PR Cllrs	MM, CFO, IDP Manager, Director/Asst Dir. of Infra & Planning plus other HODs	65 & 75 (combined meetings)	Yes, interactive discussions & input received	Where applicable, issues were taken up in IDP, or referred to the responsible Mun/Sector Dept.
Extensive consultations are held during the development and review of the Municipality's IDP. Public participation meetings usually involve presentations on the process followed, legislative framework, explanations of how Ward Plans were developed, and to what extent there was community involvement in the identification, prioritization and review of Ward Development Priorities. There are usually two rounds of IDP public participation engagements each year and all 14 Wards are visited and consulted. Ward Committees were more recently established and form part of the IDP consultations; they play an integral role in bringing forward the Community's developmental aspirations. These meetings assist in providing the Municipality and the respective Ward Councillors with a better understanding of the needs of the people we serve, and what the critical issues are that we must address, either by way of making provision in our planning for Capital projects, or absorbing operational issues into our Maintenance programmes.						

T 2.4.3.1

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Munic Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
WARD 1 QUARTERLY PUBLIC MEETING	12/07/18	WARD & PR COUNCILLOR		40	Yes, many different issues raised with robust debates and proposals from the community	Feedback given in a next quarterly meeting
PUBLIC MEETING WITH MEC OF HUMAN SETTLEMENT (HANDING OVER OF TITLE DEEDS)	20/07/18			120		
WARD 2 QUARTERLY PUBLIC MEETINGS	4/12/17 05/02/18 06/12/18			30 15 25	Yes many issues raised with robust debates and community making meaningful proposals	Feedback given on various issues of concerns in the ward
WARD 3 QUARTERLY PUBLIC MEETINGS	18/01/2018 13/02/18 27/02/18 5/04/18 8/05/18 20/09/18 08/18	Officials from SASSA, Social Development & Municipal LED Official		31 72 25 45 45 21 45	Yes, many different issues raised with robust debates and community making meaningful	Feedback concerning on various concerns in the ward.

## Chapter 3

					proposals	
WARD 4 QUARTERLY PUBLIC MEETINGS	23\03\2018 10\06\18 20\09\18 17\11\2018	Dept of Labour, Provincial Human Settlement & Municipal Housing Official		100 85 120	Yes, many different issues raised with robust debates and community making meaningful proposals	Unemployment & Skills Development. Feedback on matters of concern e.g. Security Companies concerns.  Housing meeting
WARD 5 QUARTERLY PUBLIC MEETINGS	27\02\18 20\03\18 12\06\18 5\09\18	No Official		30 25 20 35	Yes, many different issues raised with robust debates and community making meaningful proposals	Feedback concerning various concerns in the ward
WARD 6 QUARTERLY PUBLIC MEETINGS Joined Public Meeting of Ward 4 & 6 Public Meeting	04\02\18 06\04\18 07\06\18	Mr S. Mbotya(Finance )		63 86 58 47	Yes, many different issues raised with robust debates and community making meaningful proposals	Feedback concerning various issues affecting the ward
WARD 7 QUARTERLY PUBLIC MEETINGS Special Public Meeting	13\02\12 21\06\18 22\05\2018 21\06\2018 27\09\2018 00\10\18	No Official		25 15	Yes, many different issues raised with robust debates and community making meaningful proposals	Feedback concerning various issues affecting the ward
WARD 8 QUARTERLY PUBLIC MEETINGS					Yes, many different issues raised with robust debates and community making meaningful proposals	Feedback concerning issues affecting the ward
WARD 9 QUARTERLY PUBLIC MEETINGS					Yes, many different issues raised with robust debates and community making	Feedback concerning issues affecting the ward

## Chapter 3

					meaningful proposals	
WARD 10 QUARTERLY PUBLIC MEETINGS	23\01\18	60	No		Yes, many different issues raised with robust debates and community making meaningful proposals	Feedback concerning various issues affecting the ward
Public Meeting	23\03\18	30	Official			
WARD 11 QUARTERLY PUBLIC MEETINGS	30\01\2018				Yes, many different issues raised with robust debates and community making meaningful proposals	Feedback concerning various issues affecting the ward
	10\04\18					
	14\06\18					
	28\08\18					
	29\11\18					
WARD 12 QUARTERLY PUBLIC MEETINGS					Yes, many different issues raised with robust debates and community making meaningful proposals	
WARD 13 QUARTERLY PUBLIC MEETINGS	06\03\18		No		Yes, many different issues raised with robust debates and community making meaningful proposals	Feedback concerning various issues affecting the ward
	15\05\18		Official			
	18\07\18					
	13\09\18					
	29\09\18					
WARD 14 QUARTERLY PUBLIC MEETINGS					Yes, many different issues raised with robust debates and community making meaningful proposals	Feedback concerning various issues affecting the ward

### COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The community in most areas are informed about Municipal issues and take part in decision-making on developmental matters, as priorities they are raising are captured in the IDP. No political unrest and the communities have a strong interest in the Municipal affairs.

T 2.4.3.1

## 2.5 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 to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 of the Municipal Systems Act 32/2000	T 2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance ensures trustworthiness and a moral and an ethical environment. It encourages transparency and deals with determining ways of effective strategic decision making. It also includes ethical leadership and citizenship; compliance with laws, rules and regulations, codes and standards; governance of risk, governance of IT; integrated reporting and disclosures; Audit Committee and MPAC; Internal Audit; governance of IGR and an anti-corruption strategy plan. Dr. Beyers Naudé Municipality does have an anti-corruption strategy and plan in place and has tried to instill ethical behavior and moral conduct monitored through the Audit Committee and MPAC.

T 2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

The Municipality has no Risk Management Framework with risk register in place in order to identify the types of risks and to develop strategies to mitigate these risks. Senior Managers will ensure that the risk registers are developed and completed regularly to mitigate the highest risk of the municipality and to safeguard its assets and resources.

T 2.6.1

### 2.7 ANTI-CORRUPTION AND FRAUD

#### FRAUD AND ANTI-CORRUPTION STRATEGY

Council has a Fraud and Anti-Corruption Strategy in place but all Councillors and employees understand the consequences of criminal conduct and the process to follow when it does take place. An awareness campaign will be conducted to prevent fraud and corruption and employees will also be informed of their rights and protection when they want to blow the whistle on it.

T 2.7.1

### 2.8 SUPPLY CHAIN MANAGEMENT

#### OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management seeks to ensure the proper flow of goods and services between the supplier and the municipality in the right quality and quantity whilst advancing the goals of the IDP, ensuring value for money and expeditious and appropriate service delivery. As a financial management tool, it seeks to reform and regulate the manner in which public funds are utilized when procuring goods and services, whilst in pursuit of service delivery that is responsive to the needs of the society and to curtail any mal administrative and fraudulent practices on the procurement front.

The Supply Chain policy was reviewed and approved by Council. Management believes that our supply chain management policy is fair, equitable, transparent, competitive and cost-effective and comply with the prescribed regulatory framework for municipal supply chain management.

The municipality is currently assisted by a MFIP Advisor (Municipal Financial Improvement plan) appointed by National Treasury to assist the municipality in various aspects of the financial procedures including Supply Chain Management. Management believes that compliance will improve with this assistance. Standard operating procedures have already been developed.

Please also refer to our long-term contracts as stipulated in Appendix H and further comments set out under the Financial Performance – Chapter 5, Component D.

T 2.8.1

## 2.9 BY-LAWS

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication (GPW = Government Printing Works)
Aerodromes	NO	N/A	N/A	NO	N/A
Commonages	NO	N/A	N/A	NO	N/A
Cemeteries	NO	N/A	N/A	NO	N/A
Customer Care	NO	N/A	N/A	NO	N/A
Electricity	NO	N/A	N/A	NO	N/A
Fire Safety	NO	N/A	N/A	NO	N/A
Fencing and Fences	NO	N/A	N/A	NO	N/A
Liquor Hours	NO	N/A	N/A	NO	N/A
Outdoor Advertising	NO	N/A	N/A	NO	N/A
Pounds	NO	N/A	N/A	NO	N/A
Public Amenities	NO	N/A	N/A	NO	N/A
Roads and Traffic	NO	N/A	N/A	NO	N/A
Solid Waste	NO	N/A	N/A	NO	N/A
Sport Facilities	NO	N/A	N/A	NO	N/A
Street Trading	NO	N/A	N/A	NO	N/A
Storm Water	NO	N/A	N/A	NO	N/A
Water Services Supply	NO	N/A	N/A	NO	N/A

\*Note: See MSA section 13.

T 2.9.1

### COMMENTS ON BY-LAWS

After the amalgamation of the three (3) municipalities, Council resolved that the various by-laws be reviewed in order to have one set of by-laws for Dr Beyers Naudé Local Municipality. However, in terms of the promulgated Section 12 Notice, the different by-laws of the disestablished municipalities are still applicable.

The review and promulgation of by-laws are being prioritized by Council and given urgent attention.



## 2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	19 Aug 2017; 12 March 2018; 4 May 2018
All current budget-related policies	Yes	11 July 2017
The previous annual report (2016/17)	Yes	6 March 2018
The annual report (2017/18) to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	28 Feb 2018
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	None	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
An information statements containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of stet 33 apply, subject to subsection (3) of that section	None	
Public-private partnership agreements referred to in section 120 made in Year 0	None	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No – only 3	15 Nov 2017; 18 Jan 2018; 25 April 2018;

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The Municipal Finance Management Act (MFMA) section 75 sets out the requirements for the municipal websites. As can be seen from the table above the municipality is not yet compliant to all the requirements. The Communication Officer has been tasked to assist with the municipal website and with the assistance of the MFIP Advisor compliance is monitored on regular basis.

The municipality faces the challenge of not having a qualified IT Manager appointed to oversee the process of information technology and thus the municipality is heavily reliant on service providers to assist with maintaining the website.

The municipality is currently not monitoring or reporting on the use of its website by the public.

T 2.10.1.1

## Chapter 3

### 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

#### PUBLIC SATISFACTION LEVELS

No public satisfaction survey has been undertaken for 2017/18. It is therefore not possible to indicate as to what are the satisfaction levels of the residents with regard to municipal service delivery. However, this matter has been prioritized by the Municipality for the 2018/19 financial year.

T 2.11.1

Satisfaction Surveys Undertaken during: Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%) <sup>*</sup>
Overall satisfaction with:				
(a) Municipality	N/A	N/A	N/A	N/A
(b) Municipal Service Delivery	N/A	N/A	N/A	N/A
(c) Mayor	N/A	N/A	N/A	N/A
Satisfaction with:	N/A	N/A	N/A	N/A
(a) Refuse Collection	N/A	N/A	N/A	N/A
(b) Road Maintenance	N/A	N/A	N/A	N/A
(c) Electricity Supply	N/A	N/A	N/A	N/A
(d) Water Supply	N/A	N/A	N/A	N/A
(e) Information supplied by municipality to the public	N/A	N/A	N/A	N/A
(f) Opportunities for consultation on municipal affairs	N/A	N/A	N/A	N/A
<i>* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory</i>				T 2.11.2

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

The key services provided by Dr Beyers Naudé Municipality are water, sanitation, electricity, solid waste, roads and streets, storm water, town planning, building control and traffic services. The municipality also own and manages a surfaced airfield in Graaff-Reinet. Fire services, disaster management and health services function are included in services provided locally and on an agency basis in some areas on behalf of the Sarah Baartman District Municipality. All household structures have access to basic services (urban areas) and free basic services are provided to indigent households.

SERVICES	HH WITH NEEDS
Water	100%
Sanitation	100%
Electricity	98%
Solid Waste	100%
Roads & Stormwater	100%

### COMPONENT A: BASIC SERVICES

#### INTRODUCTION TO BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

The universal access targets set by the Government as well as Outcome 9 emphasized the fact that Municipalities must meet the set targets. The Dr Beyers Naudé Municipality is happy to report that it has achieved these targets in respect of all the basic services.

### 3.1 WATER PROVISION

#### INTRODUCTION

*Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005*

Dr Beyers Naudé Municipality is a Water Services Provider (WSP) and Water Services Authority (WSA). 100% of households in the Dr Beyers Naudé Municipal area have access to piped water on their premises or within 200m from the dwellings. The Municipality's strategy is to provide water services in an efficient, affordable, equitable, economical and sustainable manner to all customers in the urban area.

## Chapter 3

Town	Design Capacity	Operating Capacity
Graaff-Reinet	16ML/d	6,4ML/d
Aberdeen	3,4ML/d	2,9ML/d
Nieu Bethesda	0,83ML/d	0,25ML/d

The table on the previous page shows that all of the towns have spare capacity except Aberdeen where demand is at the design capacity. Provision has been made in 2016/17 MIG programme to increase the design capacity of Aberdeen. Water Safety Plans of former entities need to be reviewed and updated for the new entity. (Yes provision has been made but the project never commenced)

Town	Design Capacity	Operating Capacity
Willowmore	1,5ML/d	0,78ML/d
Steytlerville	2,0ML/d	1,1ML/d
Rietbron	0,27ML/d	0,21ML/d

Willowmore's demand is almost at design capacity. Extra boreholes have been drilled at Wanhoop to augment the water supply to Willowmore however there is an ongoing dispute with the property owner. The Department Water and Sanitation have agreed to the purchase/expropriation of the farm. The process has stalled and it's important that to secure the water supply to Willowmore the process is concluded. The main pumping line from Wanhoop is also in the process of being upgraded. A full cost estimate is required so as to secure additional funding.

Town	Design Capacity	Operating Capacity
Jansenville	2,5ML/d	1,8ML/d
Klipplaat	1,5ML/d	0,52ML/d

As can be seen from the above, the demand outstrips the supply. Fortunately, a Regional Bulk Infrastructure grant has been secured.

Water Service Delivery Levels				
Description	Households			
	2014/15	2015/16	2016/17	2017/18
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)	-	-	-	-
Piped water inside dwelling	-	-	17 324	14 231
Piped water inside yard (but not in dwelling)			1 053	0
Using public tap (within 200m from dwelling)			411	411
Other water supply (within 200m)			0	0

## Chapter 3

<b>Minimum Service Level and Above sub-total</b>		18 698	14 642
<b>Minimum Service Level and Above Percentage</b>		100%	100%
<b>Water: (below min level)</b>		0	0
Using public tap (more than 200m from dwelling)		0	0
Other water supply (more than 200m from dwelling)		0	0
No water supply			
<b>Below Minimum Service Level sub-total</b>			0
<b>Below Minimum Service Level Percentage</b>			0
<b>Total number of households*</b>		18 698	14 642

### Households - Water Service Delivery Levels below the minimum

Description		Year -3		Year -2		Year -1		Year 0		Households	
		Actual		Actual		Actual		Adjusted		Actual	
								Budget			
		No.		No.		No.		No.		No.	
Formal Settlements											
Total households		100 000% 0%		100 000% 0%		100 000% 0%		100 000% 0%		100 000% 0%	
Households below minimum service level											
Proportion of households	below minimum service level										
Informal Settlements											
Total households		100 000% 0%		100 000% 0%		100 000% 0%		100 000% 0%		100 000% 0%	
Households below minimum service level											
Proportion of households	below minimum service level										

## Chapter 3

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 m <sup>3</sup> free#
2014/15	100%	100 %	100%
2015/16	100%	100 %	100%
2016/17	100%	100%	100%

\* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute # 6,000 litres of potable water supplied per formal connection per month

### Water Service Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual		Target	
Service Indicators		2015/16		2015/16	%Current		2016/17	2016/17	2017/18
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Households Without Minimum water supply	Additional households provided with minimum water supply during the year	0	0	0	0	0	0	0	0
Improve reliability of water supply	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year 2014 interruptions of one hour or more during the year	11%	11%	10%	10%	10%	10%	0%	0%
Improve Water conservation	Reduce unaccountable water levels compared to the baseline of Year -1 unaccounted for during the year	39%	39%	35%	35%	34%	30%	25%	25%
Blue Drop Improvement									



## Chapter 3

Plan		60%	54%	60%	60%	50%	50%	50%	55%
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### FINANCIAL PERFORMANCE YEAR 2017/18: WATER SERVICES

Financial Performance Year 0: Water Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	43351	62543	59868	43633	-27%
Expenditure:					
Employees	8144	9936	8805	10882	22%
Repairs and Maintenance	2774	807	882	747	-24%
Other	17848	32388	38827	12286	-86%
Total Operational Expenditure	28766	43131	48514	23907	-51%
Net Operational Expenditure	-14585	-19412	-11474	-19726	72%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.1.6

### COMMENTS ON WATER SERVICES PERFORMANCE OVERALL

There has been a commendable improvement in the quality and quantity of potable water produced. This can mainly be attributed to better supervision and training offered. Challenges still remaining are the consolidation of the Water Service Delivery Plan and associated Risk Management Plan for the Water Treatment Plants and systems.

Other major challenges are the expropriation of the farm Wanhoop from which Willowmore receives its potable water. The appointment of Water Boards as implementing agents for the Dr Beyers Naudé Municipality by the Department of Water and Sanitation. The delay in the implementation of the Regional Bulk Infrastructure Grant project for Klipplaat and Jansenville. There are also no domestic water meters in Klipplaat.

A Water and Wastewater Master Plan will have to be developed for Dr Beyers Naudé Municipality in order to plan and identify areas that require upgrading.

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION

The major strategy for sanitation is to ensure that all urban households have access to water borne sanitation by systematically upgrading existing infrastructure.

## Chapter 3

### WASTE WATER SYSTEMS, DESIGN CAPACITY AND OPERATING CAPACITY.

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Graaff-Reinet	4,5ML/d	3,7ML/d
Aberdeen	1,0ML/d	0,78ML/d
Nieu Bethesda	0,05ML/d	0,03ML/d

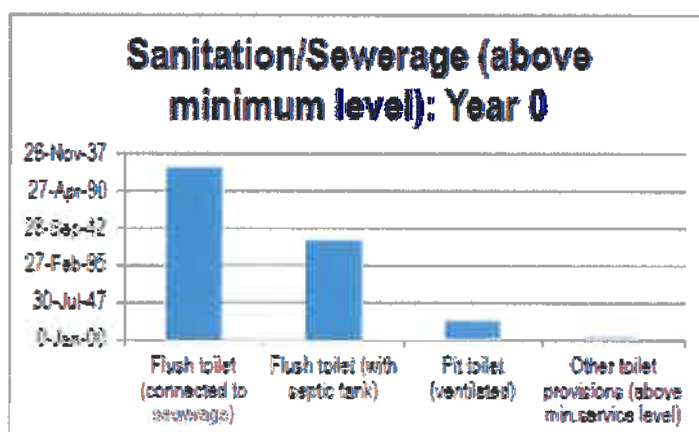
*All above plants are operating well within their design capacities.*

TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Willowmore	1,0ML/d	0,6ML/d
Steytlerville	1,0ML/d	0,5ML/d
Rietbron	0,2ML/d	0,15ML/d

*Rietbron is nearing its design capacity and will have to be upgraded in the near future. Grant funding is to be secured for the upgrading.*

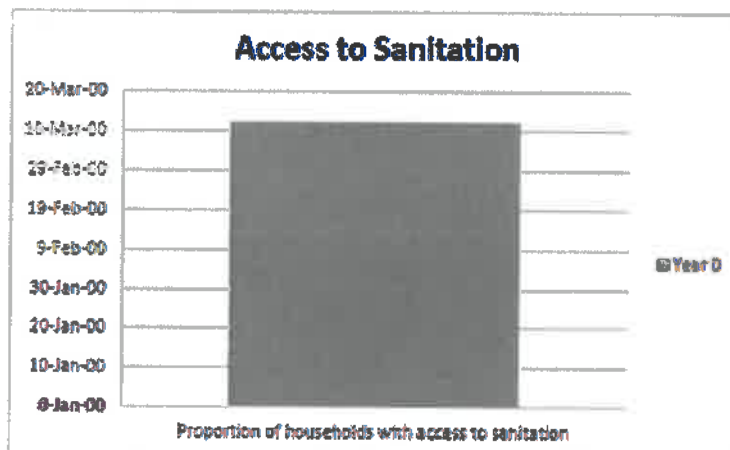
TOWN	DESIGN CAPACITY	OPERATING CAPACITY
Jansenville	1,0ML/d	0,6ML/d
Klipplaat	0,6ML/d	0,2ML/d

*Although all plants will be operating within their design capacities, funding for repair work will have to be secured to repair a breached wall of the irrigation pond of Jansenville WWTW.*



## Chapter 3

Sanitation Service Delivery Levels			
		*Households	
Description		Year 0	
		Actual	
		No.	
<b>Sanitation/sewerage: (above minimum level)</b>			
Flush toilet (connected to sewerage)		11 660	
Flush toilet (with septic tank)		746	
Chemical toilet		20	
Pit toilet (ventilated)		282	
Other toilet provisions (above min.service level)		287	
Minimum Service Level and Above sub-total		12 995	
Minimum Service Level and Above Percentage		100%	
<b>Sanitation/sewerage: (below minimum level)</b>			
Bucket toilet		0	
Other toilet provisions (below min.service level)		0	
No toilet provisions		0	
Below Minimum Service Level sub-total		0	
Below Minimum Service Level Percentage		0%	
Total households		12 995	



## Chapter 3

### Households - Sanitation Service Delivery Levels below the minimum

Description	Households		
	2016/17		
	Original Budget	Adjusted Budget	Actual
	No.	No.	No.
<b>Formal Settlements</b>			
Total households	12 975	12 975	12 975
Households below minimum service level	0	0	0
Proportion of households below minimum service level	0	0	0
<b>Informal Settlements</b>			
Total households	0	0	0
Households below minimum service level	0	0	0
Proportion of households below minimum service level	0	0	0

Financial Performance Year 0: Sanitation Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	27093	35841	15417	43687	183%
<b>Expenditure:</b>					
Employees	3978	4859	4478	4640	4%
Repairs and Maintenance	2096	809	348	410	10%
Other	36168	35502	25957	4641	-83%
<b>Total Operational Expenditure</b>	42242	41170	30781	9691	-89%
<b>Net Operational Expenditure</b>	15149	5329	15364	-33976	-321%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.2.8

## Chapter 3

### Capital Expenditure Year 2017/18: Sanitation Services

Capital Expenditure Year 0: Sanitation Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	6231	9797	9489	-3%	
Project A	6231	9797	9489	-3%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.2.9

### COMMENTS ON SANITATION SERVICES PERFORMANCE OVERALL

Overall the sanitation systems are operating well. Funding will have to be sourced for the publication of Waste Water Risk Abatement Plans for all plants Water Use licenses have to be secured for all plants. Application has been submitted to the Department Water & Sanitation, however, there is no feedback from them.

Green Drop System of the former municipality has been consolidated and replaced by IRIS (Integrated Regulatory Information System) for Dr Beyers Naudé Local Municipality.

A Water and Waste Water Master Plan will have to be developed for Dr Beyers Naudé Municipality in order plan and to supply area that require upgrading.

## 3.3 ELECTRICITY

### INTRODUCTION

*Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.*

The objective is to adequately upgrade the electrical supply and install the necessary electrical infrastructure as well as maintain them to ensure a sufficient supply to all consumers in the Dr Beyers Naudé supply area.

The following are the major strategies:

- To review the Electricity Master Plan for each supply area.
- To conduct a meter audit in the Dr Beyers Naudé Supply area.
- Identify and implement suitable electrification projects.

## Chapter 3

- To upgrade old Infrastructure.

Electrification needs are identified in the IDP based on the Ward and Master Plans. The Municipality is supporting three renewable energy projects in the area namely:

- Solar PV Farm (Carbon Metrics)
- Giant Flag Sola PV Project, and
- Aberdeen Wind Farm (Eskom)

The identification and implementation of electrification projects are done continuously and are identified in the IDP. The following projects were implemented during the 2016/17 financial year:

- Installation of energy efficient street lights in Willowmore and Steytleville.
- Upgrading of MV and LV Infrastructure Graaff-Reinet and Steytleville.

### DR BEYERS NAUDÉ SUPPLY AREA

Graaff-Reinet, Jansenville, Willowmore, Steytleville, Aberdeen and Rural Consumers. uMasizakhe (Graaff-Reinet), Lotusville (Aberdeen) Nieu Bethesda, Klipplaat, Rietbron, Baviaanskloof are being supplied by Eskom. This function includes the Bulk Purchase of electricity.

### SERVICE DELIVERY PRIORITIES

- To maintain the infrastructure and to upgrade and replace old/or ageing Infrastructure to ensure sufficient electricity supply in the Dr Beyers Naudé Area.
- To maintain normal streetlights and High mast Lights.

### IGG SERVICES

All registered IGG electricity customers received 50Kwg free on a monthly basis.

Electricity Service Delivery Levels	
Description	Households
	2016/17
	Actual No.
Energy: (above minimum level)	
Electricity (at least min.service level)	1 243
Electricity - prepaid (min.service level)	9 864
Minimum Service Level and Above sub-total	11 107
Minimum Service Level and Above Percentage	99,3%
Energy: (below minimum level)	



## Chapter 3

Electricity (< min.service level)	77
Electricity - prepaid (< min. service level)	
Other energy sources	
Below Minimum Service Level sub-total	77
Below Minimum Service Level Percentage	0,7%
Total number of households	11 184

### Electricity Service Delivery Levels below the minimum:

Description	Households		
	Original Budget	Year 0 Adjusted Budget	Actual
	No.	No.	No.
<b>Formal Settlements</b>			
Total households	0	0	0
Households below minimum service level	0	0	0
Proportion of households below minimum service level	0%	0%	0%
<b>Informal Settlements</b>			
Total households	0	0	77
Households below minimum service level	0	0	77
Proportion of households below minimum service level	0%	0%	100%

### Financial Performance 2017/18: Electricity Services

Financial Performance Year 0: Electricity Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	89037	105834	113013	111773	-1%
Expenditure:					
Employees	10399	9134	11495	12538	9%
Repairs and Maintenance	524	319	466	501	8%
Other	82780	78797	98807	88638	-10%
Total Operational Expenditure	93703	88250	110568	101877	-8%
Net Operational Expenditure	4666	-17684	-2445	-10098	513%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.3.7

## Chapter 3

### Capital Expenditure 2017/18: Electricity Services

Capital Expenditure Year 0: Electricity Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7300	11187	11085	-1%	
Project A	7300	11187	11085	-1%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.3.8

### COMMENTS ON ELECTRICITY SERVICES PERFORMANCE OVERALL

Existing infrastructure, especially those serviced by the municipality in rural areas, are either old or near its full load capacity.

The municipality has an agreement with Eskom for the provision of free basic electricity (FBE) to registered indigent households in the Eskom supply areas. Credit control in the Eskom supply areas are problematic since enforcement of Council's Credit Control Policies cannot be implemented.

### 3.4 WASTE MANAGEMENT (including Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

#### INTRODUCTION

#### WASTE MANAGEMENT SERVICES DELIVERY STRATEGY AND MAIN ROLEPLAYERS

Dr Beyers Naudé Municipality has a fully integrated waste management services, from refuse collection at households and businesses to recycling at the Transfer Station and disposal at the landfills. Waste Management has become more challenging with the amalgamation of the three previous Municipalities.

The Municipality has inherited all challenges around waste management of the three municipalities, the area is big and the resources available must be shared between towns. This function is designated in the Department of Community Services. It has become difficult for the Department of Technical and Infrastructure to assist Community Services when needed due to the high demand of service delivery in all towns.

## Chapter 3

Solid Waste Service Delivery Levels				
Description	2013/14	2014/15	2015/16	Households
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b>Solid Waste Removal: (Minimum level)</b>				
Removed at least once a week	8551	8574	9300	9758
Minimum Service Level and Above sub-total	8551	8574	9300	9758
Minimum Service Level and Above percentage				
<b>Solid Waste Removal: (Below minimum level)</b>				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
Below Minimum Service Level sub-total				
Below Minimum Service Level percentage				
<b>Total number of households</b>	<b>8551</b>	<b>8574</b>	<b>9300</b>	<b>9758</b>

### Financial Performance Year 2017/18: Solid Waste Management

Financial Performance Year 0: Solid Waste Management Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	3176	11533	14237	14816	4%
<b>Expenditure:</b>					
Employees	9964	9859	13537	14647	8%
Repairs and Maintenance	532	1224	274	709	168%
Other	2119	5402	8854	8878	30%
<b>Total Operational Expenditure</b>	12815	16585	20665	24234	17%
<b>Net Operational Expenditure</b>	9439	5052	8428	9418	47%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.4.7

Please note: No capital projects due to shortage of funding.

## Chapter 3

### COMMENTS ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Regular waste removal service is provided to most residents both formal and informal settlements, businesses, schools and other institutions within the Municipal area. No refuse removal is provided to farms in the Municipal area due to the remote location of the farm and it not being economically viable.

Illegal dumping is still a main concern, in the previous year it was reported that the dumping of household refuse had reduced but due to the increase in towns that must be serviced it has been noted that dumping of household refuse and organic waste has increased dramatically. This, despite households are being serviced on a regular basis as per scheduled times.

Control measures are put in place, illegal dumping signage is erected in most of the towns and fines issued. Waste Management services are as follows:

- Refuse is removed twice a week in areas prone to illegal dumping and once a week in other areas.
- Skips are cleaned twice a week in all areas.
- Townships are cleaned weekly with tractors and front loaders.
- Business are serviced between two and three times a week.
- The landfills and Transfer Station are managed by Community Services.
- A contingency plan is in place for any fire incidents at the refuse sites; refuse is covered regularly to minimise fires.

Capital Expenditure Year 0: Waste Management Services					
Capital Projects	R' 000				
	Budget	Adjustment Budget	Year 0 Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	7736	5205	-33%	
Project A	0	7736	5205	-33%	280
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3 4 9

## 3.5 HOUSING

### INTRODUCTION

Housing is a Provincial function and the municipality does not have accreditation in this regard and is therefore only responsible for bulk infrastructure, beneficiary administration and the identifying of suitable available land for purposes of erecting residential structures under the RDP Scheme.

Officials of the municipality have been trained with regards on the National Housing Needs Register. Credible information has been captured for Graaff-Reinet, Aberdeen, Nieu Bethesda, Willowmore, Rietbron and Steytlerville. No reliable figures has been captured for Jansenville, Klipplaat and Waterford.

Although Housing Sector Plan where developed for the former municipalities, all will have to be reviewed and consolidated into one for Dr Beyers Naudé Local Municipality, a similar exercise will be necessary with the Spatial Development Plan in order to identify suitable land for housing.

Projects that are in the construction or planning phases are as follows:

**1. Graaff-Reinet, Aberdeen and Nieu Bethesda Current Housing projects**

- 98 units (242 uMasizakhe project)
- 11 units (Mandela Park)
- 11 units Destitute
- 250 units (Nieu Bethesda)

Future housing projects in planning (bulk service in place):

- 360 units Graaff-Reinet
- 100 units Thembalesizwe - Aberdeen
- 100 units Lotusville – Aberdeen

**2. Willowmore and Steytlerville**

- 110 units (Willowmore Down housing project)
- 82 units (Steytlerville)
- 13 units Destitute (2 Steytlerville, 2 Rietbron, 9 Willowmore)

**3. Jansenville and Klipplaat**

- There are no projects planned or being continued.

Percentage of households with access to basic housing			
Year and	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2016/17	17861	200	98.9%

## Financial Performance Year 2017/18: Housing

Financial Performance Year 0: Housing Services					
Details	Year-1	Year0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	731	14	97	297	206%
Expenditure:					
Employees					
Repairs and Maintenance					
Other	377				
Total Operational Expenditure	377	0	0	0	
Net Operational Expenditure	-354	-14	-97	-297	206%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.5.5

## COMMENTS ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

It must be noted that the percentage of households with access to basic housing does not include "back yard dwellings" on the waiting list.

A serious challenge to the delivery of housing is the fact that funding for electrification of the new RDP houses is only considered by the Department of Energy once 80% of the houses of that specific project are completed and occupied. This results in a situation where beneficiaries must live in the new houses without electricity for up to two year, this naturally has its own ramifications.

## 3.6 FREE BASIC SERVICES (FBS) AND INDIGENT SUPPORT

### INTRODUCTION

The municipality strives to fulfil its constitutional objective which stipulates that poor households must have access to basic services. An indigent subsidy, in line with national government regulations and guidelines, is available to assist the poorest households in the community to receive a basket of basic municipal services for free, including up to 6 kl water, basic sanitation, refuse removal and 50 kWh electricity. To provide further relief, the Rates Policy makes provision for taxes payable by indigent property owners.

Indigent subsidies are available to domestic households where the total household income of all the residing occupants of legal age is less than two state pensions, among other criteria. A total number of 243 households were added to the Indigent Register during the year. A Free Basic Services awareness campaign was held in June 2018 in each of the wards to inform the community of the availability of the subsidy, the services subsidised, the eligibility criteria and the process to apply for



## Chapter 3

subsidy. Residents had the opportunity to have any questions and uncertainties addressed.

An amount of R93.6 million was written off as bad debt during the financial year.

Meetings with internal and external stakeholders were conducted to discuss challenges and sharpen controls where needed. Some of the major challenges relating to Free Basic Services include the rising debt amounts owed by indigent households for water and electricity consumption not covered by the subsidy, the lack of an exit strategy to cancel the subsidy of beneficiaries who no longer qualify and to keep records up to date where residents have moved away or passed away.

<b>Free Basic Services</b>		
<b>Description</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>Outcome</b>	<b>Outcome</b>
<b>Households receiving Free Basic Service</b>		
Water (6 kilolitres per household per month)	8 036	7 696
Sanitation (free minimum level service)	6 376	6 580
Electricity/other energy (50kwh per household per month)	3 469	3 496
Refuse (removed at least once a week)	6 510	6 705

<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	<b>2016/17</b>	<b>2017/18</b>
Water (6 kilolitres per indigent household per month)	5 008	5 565
Sanitation (free sanitation service to indigent households)	4 523	5 410
Electricity/other energy (50kwh per indigent household per month)	3 153	3 090
Refuse (removed once a week for indigent households)	3 133	3 992
Rates	133	1 236
<b>Total cost of FBS provided</b>	<b>15 948</b>	<b>21 778</b>

## COMPONENT B: ROAD TRANSPORT

### INTRODUCTION TO ROAD TRANSPORT

This component includes roads, transport and waste water (stormwater drainage). All households have access to a minimum level of service.

#### THE MAJOR STRATEGIES ARE:

The major strategies are:

Conduct an audit of all areas to determine the extent and nature of the problem. Utilize RRAMS for this purpose.

- Develop a roads management system (Master Plan) of all roads and to register projects identified in it. Funding is required.
- Make adequate provision for street maintenance in the operational budget. Currently this is done annually based on Ward – based planning undertaken during the IDP process.
- The systematic upgrading of gravel roads by means of labour-intensive methodologies as implemented under the EPWP has created much needed job opportunities e.g. concrete paving bricks were utilized instead of conventional methods of pavement surfacing.

#### CHALLENGES:

- Surfaced roads require urgent resealing. Many are of the old Macadam surfacing technique and are badly cracked as the binder has dried; resulting in potholes forming every time it rains.
- Many roads have reached their useful life and extensive re construction thereof is required.
- The identification and implementation of a dedicated truck route through Graaff-Reinet is required as well as a weighbridge.
- Maintenance on district roads (gravel) needs to be undertaken on a continual basis.
- Funding for the development of a Roads Management System as well as an Integrated Transport Plan is required.

All households have access to a minimum level of service.

## 3.7 ROADS

### Gravel Road Infrastructure

			Kilometers	
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2017/18	198	0	0	198

## Chapter 3

### Tarred Road Infrastructure

					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2017/18	114	0	1	0	114

Capital Expenditure Year 0: Road Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	2320	6656	9632	45%		
Project A	2320	6656	9632	45%	280	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						T 3.7.9

### Financial Performance Year 2017/18: Road Services

Financial Performance Year 0: Road Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	261	410	4093	269	-83%	
Expenditure:						
Employees	16384	18864	18252	18915	4%	
Repairs and Maintenance	821	3896	1844	1811	-2%	
Other	864	15350	5258	4326	-18%	
Total Operational Expenditure	18069	38110	25354	25052	-1%	
Net Operational Expenditure	17798	37700	21261	24783	17%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.7.8

### COMMENTS ON THE PERFORMANCE OF ROADS OVERALL

More funding will be required in the future years to address the maintenance of municipal roads and surfacing of gravel roads. Roads and streets have been identified in all wards as being a priority for maintenance and upgrading.

The District roads are maintained by the Department of Roads & Public Works and SANRAL is maintaining National Roads in the Dr Beyers Naudé area.

### 3.8 TRANSPORT (including Vehicle Licensing and Public Bus Operation)

#### INTRODUCTION

Dr Beyers Naudé Local Municipality does not operate a Public Bus Transport system.

The main objective is to promote voluntary compliance with traffic legislation, to reduce traffic contraventions and road carnage and to improve safe road user behaviour. We would be planned as many as possible roadblock actions and speed measurement plans in order to combat road accidents during holiday and festive periods.

Our goals, objectives and main themes will be the basis of ongoing, day-to-day road traffic law-enforcement and communication programmes as agreed for National, Provincial, Metropolitan and Local traffic authorities.

A special effort was made to educate teachers of the Department of Education in respect of "child in traffic" courses and to participate in road traffic safety promotion programmes. The aim is to target our primary school children. They are the leaders of the future and by targeting them, they could be able to manage by educating the elderly within their homes.

We are holding every two months an Incident Management Committee meeting with different role players like, Kwezi V3 the contractor appointed by SANRAL for maintenance of the N9 route, SAPS, Emergency and Rescue Services, Department of Roads and Transport; Graaff-Reinet, Municipal Traffic and Fire Services. In above meetings we mainly focus on upgrading of the road network critical areas in our region where accidents could happen and how to improve the road network infrastructure in the area.

With regard to vehicle licensing, a Service Level Agreement was entered into by the Eastern Cape Department of Transport, acting for and on behalf of the Eastern Cape Provincial Government, Dr Beyers Naudé Local Municipality and subsidiary Registering Authorities Graaff Reinet (User Group No. 1035A) Aberdeen (User Group No. 1006A), Jansenville (user group No. 1045A), Steytleville (usergroup No. 1073A) Willowmore (User Group No. 1090A)

The Service Level Agreement was signed on 03 April 2017 for a duration of (3) three years.

### 3.9 WASTE WATER (Stormwater Drainage)

#### INTRODUCTION

Stormwater drainage, minor and major system, is a major problem in the Dr Beyers Naudé area and was highlighted as concern of residents at Ward Committee meetings.

#### CHALLENGES

- Old and under capacity infrastructure needs to be upgraded or replaced.
- Regular flash floods cause damage to property and road infrastructure, especially in the southern and eastern areas of Graaff-Reinet.

#### COMMENTS ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

The current storm water system is a major concern in all wards, especially where there are gravel roads and steep slopes involved. The area is prone to intense thunderstorm resulting in flash flooding of properties and streets. Funding for this function is limited and should receive a high priority.

A Stormwater Master and Maintenance Plan is urgently required to assist in addressing the problem.

### COMPONENT C: PLANNING AND DEVELOPMENT

#### INTRODUCTION TO PLANNING AND DEVELOPMENT

Planning is generally considered to be part of a comprehensive process when a public sector institution (municipality) intervenes in a problem solution that affects human society.

THE MAJOR STRATEGIES ARE:

- Develop a Spatial Development Framework Plan (SDF).
- To consolidate and update the land use management system to a fully integrated Geographical Information System (GIS).
- Systematically release suitable land for housing and commercial development.
- Develop a Zoning Scheme.

The Town Planner and Building Control Officer perform the function of land use management and building control. The administration Department provides the administrative assistance and Protection Services assists with law enforcement of by-laws and contravention of land use management and building regulations.

#### 3.10 PLANNING

##### INTRODUCTION

The top five (5) Service Delivery priorities were:

- Formulation of the Dr Beyers Naudé Integrated Scheme Regulations which includes public participation in the formulation of the policy, updating of land use register, and zoning maps;
- Crafting of SPLUMA By-laws which also includes public participation for the adoption by Council;
- Aligning the Zoning Scheme Regulations with the Spatial Planning and Land Use Management Act 16 of 2013;
- Investigation of non-conforming and illegal land uses; and
- Implementation of the Spatial Development Framework (SDF) to eradicate spatial distortions and advancing Social Justice.

##### COMMENTS ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

The Department has conducted the following workshops and trainings attended by Councillors and Sector Departments in order to comply with the Spatial Planning and Land Use Management Act 16 of 2013:

- Spatial Planning and Land Use Management Act (SPLUMA) Workshop;
- Training of the Members of the Municipal Planning Tribunal (MPT);
- Community awareness on the National Building Standards and Regulations Act;



## Chapter 3

SPLUMA bylaws were further advertised (three times as required by the Act), adopted by Council and are currently being implemented. The MPT members were nominated as prescribed by the Act; all the names of the nominated tribunal members were adopted by Council and will be gazetted in the month of January 2019. This will enable the first sitting of the MPT in the month of February 2019.

### 3.11 LOCAL ECONOMIC DEVELOPMENT (including Tourism and Market Places)

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

The LED and Tourism unit is tasked with the obligation of growing the BNLM economy by enabling small, medium and micro sized enterprises (SMME), creating an environment in which the business society can optimally operate and to ensure that sustained increases in growth is obtained. Other critical key success areas are agriculture, manufacturing, Trade and construction. Tourism is also key to the success of the BNLM economy and is seen as a primary source for revenue enhancement and creating job opportunities.

T 3.11.1

Economic Activity by Sector			
Sector	R '000		
	Year -2	Year -1	Year 0
Agric, forestry and fishing	2	1.5	1.5
Mining and quarrying	6	5	2
Manufacturing	56	58	63
Wholesale and retail trade	45	51	52
Finance, property, etc.	51	48	52
Govt, community and social services	23	25	25
Infrastructure services	34	38	41
<b>Total</b>	<b>217</b>	<b>226.5</b>	<b>236.5</b>

T 3.11.2

## Chapter 3

Economic Employment by Sector			
Sector	Year 1 No.	Year -1 No.	Jobs
			Year 0 No.
Agric, forestry and fishing	20,000	25,000	30,000
Mining and quarrying	400,000	435,000	372,000
Manufacturing	320,000	300,000	270,000
Wholesale and retail trade	190,000	200,000	210,000
Finance, property, etc.	275,000	255,000	235,000
Govt, community and social services	300,000	310,000	320,000
Infrastructure services	400,000	430,000	450,000
Total	1905000	1955000	1887000
T 3.11.3			

### COMMENT ON LOCAL JOB OPPORTUNITIES:

The municipality through the EPWP programs, created approximately in an effort not only to bring relief to the unemployed, but also to stimulate the economy to Tourism and Marketing places. Additional jobs have been created through the construction programs Lingcom Primary and Asherville High School

T 3.11.4

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -2				
Year -1				
Year 0				
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				
T 3.11.5				

Jobs created by initiatives: Initiative A – Construction of Lingcom Primary and Asherville High School (36)

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Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2	40	2,000
Year -1	50	2,900
Year 0	66	4,500
* - Extended Public Works Programme		T 311.6

EPWP Projects	
Year – 2	1
200	
Year – 1	40
2000	
Year – 0	50
4500	

[illegible]

**50 small businesses were trained in Arts and Craft.**

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.11.8

Current employees – 5  
 Job level 4-6 – 4  
 7-9 -1

Financial Performance Year 0: Local Economic Development Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	108	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

T 3.11.9

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The Municipality is dependent upon the following key economic activities:

Key economic activities	Description LED
Tourism	DBNLM is a popular holiday destination. It has also become a sought after residential location for retired persons and foreigners. This has certainly have had a positive contribution to our economy.
Agriculture	There has been a significant decline in the growth of this sector, mainly infested by small businesses. Drought has also contributed to this fact. However, it still employs approximately 8% of the population.
Manufacturing	This proved to be one of the fastest growing sectors. It currently employs approximately 10 % of the economy of DBNLM This has certainly have had a positive contribution to our economy.

Tourism is currently the heart of Dr Beyers Naudé Local Municipality's economy and this industry in particular needs to be looked at as a potential source of opportunities for growth and job creation. However, although tourism is currently perceived as a primary driver of the economy, sectors such as construction and manufacturing are other promising sectors. Furthermore, it is important to view these three sectors as potential drivers of the economy without disregarding the complex manner in which it interacts with the other primary sector, agriculture, transport and the emerging markets for technologies focused on water, energy and waste.

The municipality had through the EPWP programs, created the equivalent of 219 FTE's (Full Time Equivalents) in an effort not only to bring relief to the unemployed, but also to stimulate the economy.

Agriculture - The municipality still faces major challenges in respect of the current drought, the consistent demand for the replacement of ageing infrastructure in commonages

We are however confident that the challenges will be overcome and that the service standards will be maintained.

We will continue to strive for the betterment of our communities.

### Highlights: LED

Community Work Programme (CWP) Programme assist to alleviate poverty  
Small Town Regeneration Programme and the hosting of its 3<sup>rd</sup>

### Challenges: LED

The following challenge with regard to the implementation of the LED strategy is:

#### Description Actions to address

Review of LED Strategy - Growth and Development Internal Workshop planned for September 2017

## COMPONENT D. COMMUNITY AND SOCIAL SERVICES

### INTRODUCTION

The objective is to address critical needs and problems being experienced by the community of Dr Beyers Naudé Local Municipality by providing facilities that will address the recreational and other social needs of the community.

The Municipality does not have the function of museums but we provide the buildings for some of the museums situated in Graaff-Reinet and attend to maintenance of same.

In addition to the above, the Municipality attended to the upgrade of the Collie Koeberg sports facility which is a sports complex utilized by the community at large and the intention is to provide a suitable sports complex for use by the community.

The Municipality also attended to the upgrade and erection of play parks for the use of the community and it has been successfully implemented.

### 3.12 LIBRARIES, ARCHIVES, MUSEUMS, COMMUNITY FACILITIES & OTHER (Theatres, Zoos, etc.)

#### Financial 2017/18: Libraries; Archives; Museums; Galleries; Community Facilities; Other

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2347	833	3306	3341	1%
Expenditure:					
Employees	7121	5185	5036	5471	9%
Repairs and Maintenance	29	582	363	181	-50%
Other	2870	4622	3987	2830	-28%
Total Operational Expenditure	10020	10399	9386	8482	-8%
Net Operational Expenditure	7673	9466	6080	5141	-15%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.12.5

General performance is satisfactory during the year under review especially with libraries.

### CHALLENGES

There are no major challenges except the upgrading/extension of the buildings and improvement of technology and IT Infrastructure for the libraries specifically.

There is a lack of Instruments/equipment at libraries for blind persons. Budget or accessing funds for continuous maintenance of community facilities remains problematic.



### 3.13 CEMETERIES AND CREMATORIUMS

#### INTRODUCTION

Cemetery sites were originally maintained and operated by churches within the community. Cemetery Services is customer focused and provides an essential service to those who have experienced a loss. We provide a sanctuary for the final resting place of loved ones, where lives are commemorated, deaths are recorded and the families are reunited.

#### Financial 2016/17: Cemeteries and Crematoriums

Details	2016/17				R'000
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		1995	1995	207	-864%
Expenditure:					
Employees		128	128		
Repairs and Maintenance		1	1		
Other		128	128		
Total Operational Expenditure	0	257	257	0	
Net Operational Expenditure	0	-1738	-1738	-207	-740%

#### COMMENTS ON THE PERFORMANCE OF CEMETERIES & CREMATORIUMS OVERALL

Dr Beyers Naudé is currently faced with a huge crisis regarding availability and suitability of land for burials. Old cemeteries are full and the process of erecting new cemeteries cannot start without funding. The soil in the Jansenville and Willowmore is rocky that makes it difficult for burials to take place as prescribed by Legislature.

First Phase of Construction completed in 2015/2016 at the new Graaff-Reinet Cemetery site and basic assessment completed at the Aberdeen Cemetery site.

The Department of Environmental Affairs and Tourism is in the process of issuing approval for burial at the Graaff-Reinet Cemetery.

Funding must be made available for the second phase at the Graaff-Reinet cemetery in order to complete it due to the amalgamation and the focus on basic service delivery the Municipality is currently not able to make funding available for upgrade or construction of new cemeteries.

Construction is delayed at the Aberdeen Cemetery due to funding. We do not have a crematorium. Bodies are sent to Port-Elizabeth for cremation.

### 3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

#### INTRODUCTION

The Special Programmes Unit of the Municipality is responsible for a vast base of vulnerable groups, ranging from amongst others Disabled Persons, Youth, Sport and Recreation, Women, Children and Elderly Persons.

The majority of Older Persons in the Dr Beyers Naudé Local Municipal Area have been deprived from adequate education, employment and socio-economic opportunities. Without the means to break free from the bondage of poverty, secure retirement benefits or to ensure that their children would flourish. Older Persons not only need assistance, they deserve respect.

The Municipality is still involved in a number of Child and Aged Care facilities by means of service delivery in terms of the care of children and aged people. Ageing is recognized as an inevitable stage of life, which requires special needs. The development paradigm aims to enable Older Persons to live active, healthy and independent lives for as long as possible.

The Local Aids Council had an Induction Workshop on 7 June 2017 whereby it was agreed that a fully-fledged Local Aids Council (LAC) be established before the end of the 2016/17 Financial Year. The AIDS councils are to identify testing opportunities, mobilize people and DOH will provide the testing.

The Dr Beyers Naudé Local Municipality is in the process of establishing a Children Forum as well as a Forum for the Elderly. This will give these groups a platform to share their views and raise their issues, concerns and also presents solutions. The Municipality continues to support all special facilities that fall under the jurisdiction of the Municipality by way of basic service delivery as set out in the Municipal Systems Act, 2000 (Act 32 of 2000).

Older persons face many challenges and the South African legislation addresses The Constitutional mandate to protect the human rights of older persons by removing all forms of racial discrimination and by addressing inequality in government-funded services.

Despite the small challenges, it remains the vision of the Dr Beyers Naudé Local Municipality to cultivate and promote stronger relationships with sector departments. The Municipality is built on good relationships with the local, district and provincial Departments and will continue to work together with these departments, to ensure a better life for the residents of our municipality.

Skills shortages are widely regarded as the main factor which slows economic growth in our municipal area. As a result, the Special Programmes Unit and the Human Resources Department are in the process of drafting our Skills Development Policy as well as establishing our Skills Development and Training (SD&T) Department and to identify sectors with skills deficiencies, and then develop programmes to nurture individuals to drive economic growth across the municipal area, district and South Africa.

The main focus of the Municipality is to explore solutions to overcome skills shortages in the various industries.

Projects / Programmes supported by the Special Programmes Unit – Including the ones listed and many more projects as they arise in the IDP -593, IDP-592:

- Vuyani Safe Haven
- Ikamva School
- Camdeboo Hospice

- ACVV
- Cluster Home, Aberdeen
- Ellakim Cluster Foster Home – Graaff-Reinet
- HCBC SC – Graaff-Reinet Masithembe Action Group – Aberdeen
- Single Parents Associations
- Intergenerational for the Aged
- Home-based Care for the Aged
- Crime Prevention – various towns in collaboration with CPF
- Skills Development – various towns in collaboration with the HR Department
- Teenagers against Drugs Abuse (TADA)
- Aberdeen Victim Support Centre
- Camdeboo Aquaculture Fish Project
- Khomonani Victim Support Centre
- Passionate Gospel Convention
- Kroonvale Brass Band
- Little Lamb Disabled Group
- Klipplaat Soup Kitchen
- SImunye Youth Group in Jansenville
- DOS Mobile Crèche – Baviaanskloof, Zaaymanshoek, Vondeling, Rietbron and surrounding farms.

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of women, men, youth, children, senior citizens and people with disabilities. The Special Programmes Unit is determined to ensure that the mandate is executed in terms of mainstreaming the rights and upliftment of women, men, children, senior citizens, youth, sport and recreation and people with disabilities through advocacy, intersectional collaboration, capacity development, monitoring and evaluation.

### COMPONENT E: ENVIRONMENTAL PROTECTION

#### 3.15 POLLUTION CONTROL

##### INTRODUCTION

Pollution control is a District function; this function has been put under the Local Municipality on an agency basis and budget is allocated from the District Municipality in order to perform this task.

Numerous complaints have been received from the community about the air pollution from the industrial area and it is investigated and monitored on a regular basis.

#### 3.16 BIO-DIVERSITY, LANDSCAPE (INCLUDING OPEN SPACES) & OTHER

##### INTRODUCTION

The Municipality is not having a specialized unit concentrating on Bio-Diversity but is maintaining open spaces and is managing its commonage in such a way that overgrazing does not take place. The Municipality must do more in this regard and take pro - active actions and in so doing reduce adverse impact on the environment and encourage local Bio-Diversity.

### COMPONENT F: HEALTH

#### 3.17 CLINICS

##### INTRODUCTION

The Municipality does not render Primary Health Care Services; this is a Provincial Competency.

#### 3.18 AMBULANCE SERVICES

##### INTRODUCTION

The Municipality does not render Ambulance Services; this is a Provincial Competency.

## 3.19 HEALTH INSPECTIONS, FOOD AND ABATTOIR LICENSING AND INSPECTION, ETC.

### INTRODUCTION

All businesses are visited on a quarterly basis or when complaints are received by the community. The Certificate of Acceptability is issued by the Health Inspection Section within the Community Services Department.

Illegal dumping of waste by abattoirs and butcheries is still a main concern, and alternative dumping measures are being put in place, in order to eliminate dumping in residential areas. Land has been made available to abattoirs as stipulated in the NEMA.

### SERVICE STATISTICS FOR HEALTH INSPECTIONS, ETC.

No	Data Elements	Value	Comment
1.	<b>WATER QUALITY MONITORING</b>		
	EH Domestic water sample collected	224	
	EH Domestic water sample compliant	194	
2.	<b>FOOD CONTROL</b>		
	EH Food premises inspected	176	
	EH Food premises compliant	169	
	EH Food poisoning reported new	0	
	EH Food sample bacteriological analysis	42	
	EH Food sample bacteriological compliant	42	
3.	<b>WASTE MANAGEMENT</b>		
	EH Health care waste generator inspected	13	
	EH Health care waste generator compliant	13	
4.	<b>HEALTH SURVEILLANCE OF PREMISES</b>		
	EH Premises tobacco legislation inspected	194	
	EH Premises tobacco legislation compliant	181	
5.	<b>VECTOR CONTROL</b>		
	EH Surveillance/inspection of premises	176	
	EH Rodent/Pest compliant	173	
6.	<b>ENVIRONMENTAL POLLUTION CONTROL</b>		
	EH Pollution control on premises	194	
	EH Pollution on premises compliant	166	
7.	<b>DISPOSAL OF THE DEAD</b>		
	EH Inspection of Funeral Parlors	6	
	EH Funeral undertaker's/mortuaries compliant	6	
8.	<b>BUILDING PLANS INSPECTIONS</b>		
	EH Building plans inspections	145	
	EH Building plans health regulations compliant	145	
No	Data Elements	Value	Comment

COMMENTS ON THE PERFORMANCE OF HEALTH INSPECTIONS, ETC. OVERALL

Dr Beyers Naudé Municipality currently employs two health inspectors under the Department of Community Services. The following are the duties that are performed by the Health Section on a regular basis:

- Testing of Samples of Dairy and Milk products
- Testing of drinking water according to the Water Quality Management System (WQMS)
- Inspections of Funeral Undertakers in the Area
- Formal and informal food handling premises are inspected regularly
- Assistance with the application of pauper burials
- Assistance with the application of exhumed bodies for reburial
- Submission of quarterly reports to District Municipality
- Visiting Circumcision sites during June and December

### COMPONENT G: SECURITY AND SAFETY

#### INTRODUCTION

The Protection Services are incorporated as a division under the Directorate of Community Services. The aforementioned means that the Manager: Protection Services reports directly to a section 57 appointee, the Director: Community Services. This division, Protection Services, are mainly responsible for the sub-divisions: Traffic Control, Law Enforcement, Fire Brigade Services and Disaster Management.

The main objective is to promote voluntary compliance with traffic legislation, to reduce traffic contraventions and road carnage and to improve safe road user behaviour. We have planned as many as possible roadblock actions and speed measurement plans in order to combat road accidents during holiday and festive periods.

Our goals, objectives and main themes will be the basis of ongoing, day-to-day road traffic law-enforcement and communication programmes as agreed for National, Provincial, Metropolitan and Local traffic authorities.

The critical offences in our town is disobeying of no-parking / no-stopping offences, driving without driving licenses, operating without the necessary transport operating licenses, held cell phone in hand while driving and also exceeding the speeding limit. Graaff-Reinet, Aberdeen and Willowmore are on the route between Cape Town and Queenstown / Umtata as well as Johannesburg and George where passenger transport operators should be requested to ensure that the drivers of the vehicles become more responsible and safe road users and to respect the rights and lives of other road users.

Our target was to reduce road traffic offences by implementing and managing of our Business Plan. Efforts were made to obtain co-operation of the local passenger transport operators to introduce and manage road safety plans for their vehicle fleet and drivers on a voluntary basis through our draft Integrated Local Transport Plan.



## 3.20 POLICE

## INTRODUCTION

Dr Beyers Naudé does not have a Municipal Police Force. However, the Municipality does work closely with SAPS and some Councillors serve on the local CPFs.

## TRAFFIC CONTROL AND SAFETY

## Municipal Traffic Services Data

Details	2016/17			
	Actual No.	Estimate No.	Actual No.	Estimate No.
1 Number of road traffic accidents during the year	274			
2 Number of by-law infringements attended	10			
3 Number of Traffic Officers in the field on an average day	4	5	4	5
4 Number of Traffic Officers on duty on an average day	4	5	4	5

## Traffic Police Policy Objectives taken from IDP

Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(I)	(II)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Reduction in road accidents within jurisdiction	5 % reduction in road accidents over the target for the previous year	5% reduction in year -1	A0% reduction in year -1	5% reduction in year 0	T1% reduction in year 0	A1% reduction in year 0	T2% reduction in year 1	T5% reduction in year 3	T5% reduction in year 3

## Financial Performance Year 2017/18: Traffic Control

Financial Performance Year 0: Traffic Control					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4560	4245	4245	3249	-23%
Expenditure:					
Employees	3298	4028	4028	5187	29%
Repairs and Maintenance	172	61	61	120	97%
Other	465	783	783	2453	213%
Total Operational Expenditure	3933	4872	4872	7760	59%
Net Operational Expenditure	-627	627	627	4511	819%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.20.5

The department did not meet its target for conducting preventative traffic patrols and to enforce traffic legislation compliance – as per our business plan – due to staff shortages.

#### Employees: Traffic Officers

Job Level	Year -1	Year 0			
Traffic Officers	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Traffic Officer & Deputy	2	2	2	0	0%
Other Traffic Officers	4	4	4	4	n/a
Total	6	6	6	4	67%

After the amalgamation, we started with various internal consultative workshops to develop an organizational structure for the newly established Dr Beyers Naudé Local Municipality. Based on the fact that Jansenville and Willowmore do not have appointed traffic officials, we developed such a structure that will be addressed during the placement process.

### 3.21 FIRE

#### INTRODUCTION

The main objectives of our fire services (taken from the IDP) are to prevent fires and to protect life and property should a fire occur. Our top four service delivery priorities are vehicle and equipment availability and maintenance, replacement of fire equipment, fire safety inspections and reviewing of building plans.

Dr Beyers Naudé Local Municipality operates strictly according to the SANS 10090:2003, Community Protection Against Fire Standard Code. The different towns within our jurisdiction do not render a 24/7 fire services.

Dr Beyers Naudé LM was established as a result of a merger between the former Municipalities of Camdeboo, Ikwezi and Baviaans, on 8 August 2016, after the Local Government Elections held on 3 August 2016. Geographically the new Municipality makes up 49.19% of the SBDM's area.

The measures taken to improve performance are based on the risk assessment that was done in terms of SANS Code 10090:2003.

#### FIRE SERVICE DATA

Details	Year -1	Year 0	Year 1	
	Actual No.	Estimate No.	Actual No.	Estimate No.
1 Total fires attended in the year	84			
2 Total of other incidents attended in the year	3			
3 Average turnout time - urban areas	8.21 minutes			
4 Average turnout time - rural areas	56 minutes			
5 Fire fighters in post at year end	11			
6 Total fire appliances at year end	8			
7 Average number of appliance off the road during the year	2			

T 3.21.2

#### FIRE SERVICE POLICY OBJECTIVES TAKEN FROM IDP

Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year		*Previous Year	*Current Year	*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Turnout time compared to National guidelines	% turnout within guidelines (total number of turn outs)	T0% within guidelines	A0% within guidelines or x if x is larger	T1% within guidelines or A0% If that is larger	T0% within guidelines or A0% If that is larger	A1% within guidelines	T5% within guidelines or A1 if that is larger; (xxxx emergency turn outs in year)	T5% within guidelines or A4 if that is larger; (xxxx emergency turn outs in year)	T5% within guidelines or A4 if that is larger; (xxxx emergency turn outs in year)

T 3.21.3

#### CURRENT FIRE AND RESCUE STATIONS

DBNLM does not have any suitable or purpose-designed fire stations, but is utilising fire garages in which fire pumps are stored. None of the stations have a control centre. No shift system is in place, only a standby system where firefighters respond from their residences after-hours, over weekends and public holidays. There are currently no major pumping appliances available in the DBNLM area of jurisdiction. The DBNLM fire and rescue service operates from 6 locations/sites at the moment which is situated in:

- Graaff-Reinet
- Willowmore

- Aberdeen
- Jansenville
- Nieu-Bethesda
- Steytlerville

### GRAAFF-REINET

The Graaff-Reinet fire and rescue building is well situated in the CBD and is shared with the municipal traffic and disaster management functions in the same building.

The fire and Rescue Service is rendered from 07:30 to 16:30 from the station. There are currently one Manager: Protection Services and 4 Firefighters deployed at the station and one Senior Firefighter position which is currently vacant.

After normal working hours-including weekends and public holidays- employees are placed on rotational standby and need to respond from home to the station. Calls are predominantly received from SAPS or the Emergency Ambulance Services radio control rooms. Employees on standby utilise LDV skid units, where available, to respond from home.

Apart from the 2 x medium pumpers, a water tanker, a fire water trailer and HAZMAT trailer have been allocated to Graaff-Reinet.

### WILLOWMORE

Willowmore fire and rescue service occupies a building (with limited facilities) which is shared with the Provincial Ambulance Service. A Hino 500 medium pumper with rescue equipment, as well as a LDV skid fire unit, a HAZMAT trailer and water trailer is stationed at Willowmore. There are currently one Fire Officer and 4 Retain Firefighters stationed at Willowmore.

The fire and rescue service is rendered from 07:30 to 16:30 from the fire and rescue building. After normal working hours including weekends and public holidays, employees are placed on standby and need to respond from home to the incident. Calls are predominantly received from SAPS or the Ambulance Services Control rooms. There is no control centre. Calls are received via cell phones issued to the officer and firefighters on standby.

### ABERDEEN

Aberdeen has a Dennis medium pumper fire appliance which is housed in a garage. There is only one Firefighter stationed at Aberdeen, but assisted by 3 employees. Any support fire appliances or firefighters during an above normal incident need to be deployed from Graaff-Reinet.

### STEYTLERVILLE

Steytlerville has no fire station. However, the fire water trailer unit located to the area is housed within an electrical services garage. There is one Fire Station Officer stationed at Steytlerville.

### NIEU-BETHESDA

Nieu-Bethesda has no fire station. However, a Ford F250 4x4 light fire pumper has been allocated to the area and housed within a garage. Municipal employees are manned the appliances.

### JANSENVILLE

## Chapter 3

Jansenville has no fire station. However, they share a multi-purpose garage with Engineering and Planning Services. A medium pumper Hino 500 with rescue equipment has been allocated to the area. The fire and rescue service is rendered from 07:30 to 16:30 from the mentioned building. After normal working hours including weekends and public holidays, employees are placed on standby and need to respond from home to the incident. Calls are predominantly received from SAPS Control room. There is no control centre. Calls are received via cell phones issued to the officer and firefighters on standby.

### FINANCIAL PERFORMANCE 2017/18: FIRE SERVICES

Although Dr Beyers Naudé Local Municipality has signed a service level agreement with Sarah Baartman District Municipality, we also realised that additional funds should be allocated for appointing of additional personnel.

Dr Beyers Naudé Local Municipality has a fire service tariff structure in place to subsidize our operational costs.

Although we are receiving a grant on a yearly basis from Sarah Baartman District Municipality, the funding is not enough to be able to render a 24/7 fire service. However, we are in the process of negotiations with a new Service Level Agreement and will be able to co-ordinate the section 84(j) functions.

Financial Performance Year 0: Fire Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1172	4098	1852	927	-50%
Expenditure:					
Employees	2685	3275	3020	4298	42%
Repairs and Maintenance	85	295	45	68	51%
Other	111	1722	183	134	-27%
Total Operational Expenditure	2881	5292	3248	4501	39%
Net Operational Expenditure	1709	1196	1396	3574	156%
Not expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.21.5

### EMPLOYEES: FIRE SERVICES

A Performance Fire Service level agreement was developed and signed with Sarah Baartman District Municipality.

Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy		0	0	1	0%
Other Fire Officers		2	2	1	0%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	10	2	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	12	4	0%
					T 3.21.4



**CAPITAL EXPENDITURE 2017/18: FIRE SERVICES**

We are trying to meet the requirements as set out in SANS 10090:2003 with the financial support that we receive every book year.

This funding is basically used to meet the fire pumpers, protective clothing and equipment standards.

Capital Expenditure Year 0: Fire Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	90	1150	57	-95%	
Project A	90	1150	57	-95%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.21.6

**COMMENTS ON THE PERFORMANCE OF FIRE SERVICES OVERALL**

An assessment of the fire hazards started to determine the extent of the fire services needed to provide adequate protection for our fire area with the assistance of Sarah Baartman District Municipality earlier this year.

A yearly Performance Fire Service level agreement was developed and signed between Sarah Baartman District Municipality and DBNLM and Retain firefighters were appointed in order to meet some of the operational objectives according to SANS 10090:2003.

### **3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING & CONTROL, PUBLIC NUISANCES, ETC.)**

**INTRODUCTION**

In terms of Chapter 5 of the Disaster Management Act, 57 of 2002, Dr Beyers Naudé Local Municipality has participated in the establishment and implementation of a framework for disaster management. This framework was to ensure that DBNLM have an integrated and uniform approach towards disaster management, in line with the Integrated development plan. SBDM appointed a service provider which assisted all the different LM during May 2016 which held various consultative workshops within our area to determine a risk assessment.

**SERVICE STATISTICS**

Dr Beyers Naudé Local Municipality did not have any disasters which were classified as a local disaster during the financial book year. We had some heavy snow and rain falls as well as strong wind damages but it was not classified as a local disaster due to minor damages to RDP houses.

No additional Law Enforcement Officers were appointed to ensure that our by-laws will be enforce and we are still awaiting the finalisation of placement. Awareness campaigns has been running by Council in respect of littering and waste disposal within the wards.



## POLICY OBJECTIVES TAKEN FROM THE IDP

No Disaster Management Plan was approved by Council during the financial year that is based on the amalgamation of the three LM's who had their own individual Disaster Management Plans. However, we are struggling with attendance of our Local Disaster Management Advisory Form by the local stakeholders who do not regularly attend the LDMAF meetings.

## Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year 0 Target *Previous Year (iii)	Actual (iv)	Year 1 Target *Previous Year (v)	*Current Year (vi)	Actual (vii)	Year 2 Target *Current Year (viii)	Year 3 *Current Year (ix)	*Following Year (x)
(i)	(ii)								

## Service Objective xxx

*To reduce and mitigate the impact of disasters and community safety with regular maintenance on infrastructure as an ongoing concern.*

T 3.22.3

## EMPLOYEES

Dr Beyers Naudé Local Municipality does not have a staff component dealing with disaster management. We utilize the Satellite Officer appointed by Sarah Baartman District Municipality for our region to assist with awareness campaigns, training of volunteers and reviewing of our Disaster Management Plan.

However, provision has been made on the organogram for a Disaster Management Officer.

## Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

Job Level	Year -1 Employees No.	Year 0 Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	6	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

T 3.22.4

## FINANCIAL PERFORMANCE 2017/18

## Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

Details	Year-1 Actual	Year 0 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0
Expenditure:	0	0	0	0	0%
Employees	0	0	0	0	0%

Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
					<b>T 3.22.5</b>

#### CAPITAL EXPENDITURE 2017/18

Capital Expenditure Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Capital Projects	Year 0 Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
					<b>T 3.22.6</b>

#### COMMENTS ON THE PERFORMANCE OF PROTECTION SERVICES OVERALL

This municipality does not have an approved operating nor a capital budget for disaster management functions. We depend on financial assistance from the District and Province when local disasters occur in our area. Earlier this year a national state of disaster was promulgated and Council received an amount of R488 000 which was utilised to upgrade the bore holes within Willowmore area.

### COMPONENT H: SPORT AND RECREATION

#### INTRODUCTION

The Local Sports Council was elected on 19 May 2017 and has representatives in the entire Dr Beyers Naudé Local Municipality. During this quarter the LSC were very active and conducts regular meetings and interactions with the SPU Officer and others. They will be having their first Annual Mayoral Tournament in April 2018. They are determined to turn things around in the Dr Beyers Naudé Local Municipal area.

#### 3.23 SPORT AND RECREATION

##### SERVICE STATISTICS FOR SPORT AND RECREATION

##### Financial Performance 2017/18: Sport and Recreation

## Chapter 3

Financial Performance Year 0: Sport and Recreation					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	78	175	69	73	6%
Expenditure:					
Employees	11283	12510	12081	12398	3%
Repairs and Maintenance	192	655	405	728	78%
Other	1944	2432	3204	1783	-44%
Total Operational Expenditure	13428	15597	15700	14908	-5%
Net Operational Expenditure	13353	15422	15631	14835	-5%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.23.4

### Capital Expenditure 2017/18: Sport and Recreation

Capital Expenditure Year 0: Sport and Recreation					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	1915	910	-52%	
Project A	0	1915	910	-52%	280
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.23.5

### COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

Section 9 of the constitution states that: No person, including the State, may unfairly discriminate against anyone on the basis of race, gender, pregnancy, marital status, ethnic or social origin, color, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.

Whether it is with disabled bodies or able bodies, let us implement a system that says we need 50 percent women and 50 percent men in sport.

The municipality offers a number of facilities and caters for virtually all the sporting codes, i.e. Soccer, Rugby, Netball, Cricket, Tennis, Athletics, etc. There are caravan parks in most towns; as well as established hiking trails and picnic spots. The municipality also have a few Recreation Hubs, namely; Rietbron, Aberdeen and Klipplaat.

Some facilities are non-functional; others are undergoing extensive repairs and upgrading. The Municipality is in the process of planning more sports and recreational facilities where suitable land has been identified in order to address the needs of the Communities, as identified during Ward Consultations.

Each ward has a Sport and Recreation Portfolio Committee Member who works together with the LSC and the SPU to ensure that sport and recreational activities takes place within their wards.

The LSC and the DSRAC together with the Municipality are working hand-in-hand on a daily basis ensuring that our citizens, young and old, get the proper sport and recreational exposure needed for a healthy lifestyle. The SPU and Sports Council meet on a regular basis to ensure the sustainability of projects and plans implemented.

The following Capital projects were completed by Community Services in 2016/2017.

IDP-408: Sports facilities (Kroonvale Soccer Field) ward 5, second phase started in 2016/2017 with MIG funding, R 656 000. Upgrades of the pavilion in Rietbron started in 2-16/2017.

IDP-407: The hall at Collie Koeberg Stadium has been repaired and the clubhouse painted through donations for clubs.

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### INTRODUCTION

Dr Beyers Naudé Local Municipality is a Category B Municipality with a collective executive system combined with a Ward Participatory System. The Council consists of 27 Councillors.

The Council has a Mayor and a Speaker. The Mayor is the Chairperson of the executive committee and the Speaker presides over Council Meetings. Council has four (4) Portfolio Committees namely:

- Engineering and planning
- Corporate Services
- Budget and Treasury
- Community Services

Other Oversight Committees include are:

- Audit Committee and;
- Municipal Public Accounts Committee

### 3.24 EXECUTIVE AND COUNCIL

Financial Performance Year 0: The Executive and Council					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	224474	14940	12755	12022	-6%
<b>Expenditure:</b>					
Employees	8807	7968	10771	10463	-3%
Repairs and Maintenance	22	15	58	53	-9%
Other	19230	28202	34597	29548	-15%
<b>Total Operational Expenditure</b>	28059	36173	45426	40062	-12%
<b>Net Operational Expenditure</b>	-186415	21233	32671	28040	-14%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<b>T 3.24.5</b>

### 3.25 FINANCIAL SERVICES

#### INTRODUCTION

Financial services took steps to achieve the goals/objectives of capacity building in Budget and treasury Office to improve the municipal audit outcome and establish supply chain management unit.

Financial Performance Year 0: Financial Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	105164	138347	138063	133944	-2%
Expenditure:					
Employees	25367	18164	16878	20525	22%
Repairs and Maintenance	1153	3155	977	1069	9%
Other	32778	47846	71692	52056	-27%
Total Operational Expenditure	59298	68965	89547	73650	-18%
Net Operational Expenditure	-45886	-69382	-46516	-60294	30%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.25.5

#### Capital Expenditure 2017/18: Financial Services

Capital Expenditure Year 0: Financial Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1510	550	93	-83%	
Project A	1510	550	93	-83%	280
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.25.6

#### COMMENTS ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

For financial services, the project outlined represent fairly the capital expenditure needs of the department, however due to inadequate implementation of the capital budget particularly on office furniture, there were large variances.

### 3.26 HUMAN RESOURCE SERVICES

#### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES



Financial Performance Year 0: Human Resource Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	431	431	0	-100%
Expenditure:					
Employees					0%
Repairs and Maintenance					0%
Other	123	442	527	337	-36%
Total Operational Expenditure	123	442	527	337	-36%
Net Operational Expenditure	123	11	96	337	251%
Net expenditure to be consistent with summary T 6.1.2 in Chapter 6. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.26.6

## 3.27 INFORMATION & COMMUNICATION TECHNOLOGY (ICT) SERVICES

### INTRODUCTION

Appreciation goes to all Dr Beyers Naudé Local Municipal Staff for having patience with the ICT Unit. The municipality's network and user database continue to increase and currently stand at 280 Computers and 12 Servers. This year, with all the unknown procedures, staff and applications was a learning curve for the ICT Unit and it can only get better as time goes on. ICT is hard at work with the amalgamation process and the establishment of the new municipality.

It cannot confidently be said that Dr Beyers Naudé Local Municipality is no longer a high risk pertaining our data and security. The Municipality will always strive to keep its network up to date with the latest trends that technology has to offer. ICT has been restructuring many, if not all, things like: over complicated networks, unstable (outdated) servers, open WIFI in buildings that have had the same password for the past 10 years, changing of passwords of all administrative devices, servers, antennas, WIFI and computers to avoid any unauthorized access to our network and confidential data.

The municipality has been applauded by suppliers and contractors in the ICT field for the progress it has made so far, and we are told that our IT Infrastructure is way ahead of most if not all surrounding municipalities in the region.

### SERVICE STATISTICS FOR ICT SERVICES

#### BNLM Internet

I am glad to say that we have went from 10mbpsADSL internet to a very stable 25mbps up and download speed metro fibre internet connection for the Graaff-Reinet area as the infrastructure allows it here. The tender process for the new phones and network will then in turn allow us to share this 25mbps fibre connection with the other municipal towns, with the option to upgrade the fibre to 100mbps if needed.

The fibre allows us to make use of cloud-based solutions, that we could not do in the past as the internet was too slow for that and applications could not run sufficiently.



### Hosted Exchange (BNLM Emails)

As mentioned above we now make use of cloud-based solutions. Emails is our 1st application we moved to the cloud due to us having all these different towns connection to one email solution, cloud based was the only viable option that would work for us. This hosted exchange also means that as long as the employee has internet connection, he can connect to his emails without any troubles. We have been using the hosted exchange for more than a year now.

### BNLM Antivirus and ICT Policies

The BNLM Antivirus has changed from Panda Endpoint Protection Plus to ESET Antivirus. We are currently having some issues regarding viruses, as we are not yet able to deploy our antivirus to all users in the new BNLM scope of computers. As soon as the network is merged, we will be able to address this issue.

New Policies and procedures have been created for the new BNLM entity and have been workshopped with management and council. We are still waiting for a resolution to be written up.

### Printers

Two new high capacity printers have been added to the Head offices of BNLM, with the aim towards all bulk printing be done in a central Print room, and be collected from the Print Room by the individuals. This will save a huge sum of money for us in this area. We have added one more employee to our dept who is responsible for manning the IT

## COMPONENT K: ORGANIZATIONAL PERFORMANCE SCORECARD

### ORGANIZATIONAL SCORECARD 2017/2018

The function of Performance Management within the municipality is performed in the office of the municipal manager, and includes monitoring the implementation of the Integrated Development Plan (IDP) through the SDBIP. Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the municipality and its administration. These indicators pin point areas of focus for each financial year and are included in the IDP. Once approved the IDP is married to the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop agreed performance plans for the Municipal Manager and Directors which should be evaluated quarterly.

An Annual Performance Report was developed in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular No.11. The report covers the performance information from 01 July 2017 to 30 June 2018 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2017/2018.

The format of the report reflects the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area's, which are (1) Organizational Transformation & Institutional Development; (2) Service Delivery & Infrastructure Planning; (3) Local Economic Development; (4) Financial Viability and (5) Good Governance and Public Participation. For the 2017/2018 financial year, the organizational scorecard reflects the following performance results per development priority, namely:

Development Priority	Number of KPI's	On Target	Not On Target	% Achieved
Infrastructure Development	17	14	3	82%
Community Development	6	3	3	50%
Institutional Development	35	20	15	57%
Local Economic Development	9	1	8	11%
Back to Basics: Good Governance	12	7	5	58%
Back to Basics: Sound Financial Management	11	8	3	73%

The municipality experienced various challenges during the financial year and as a result only 59% of all planned targets as per the Service Delivery and Budget Implementation Plan (SDBIP), was met. It is also clear that more attention needs to be placed on the performance of Local Economic development of the municipality, and many more KPI's will be added to this KPA in the 2018/2019 financial year. The municipality needs to create an enabling environment for Economic growth, Investment attraction, Enterprise development and retention. All outstanding targets will be attended to and be reported to council.

### CHAPTER 4 – ORGANIZATIONAL DEVELOPMENT (PERFORMANCE REPORT PART 2)

#### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

##### INTRODUCTION

The aim of this document is to provide a Staff Structure in terms of reporting and remuneration levels for the municipality. The review of the organizational structure is a strategic process of monitoring sustainable service delivery. A recent audit process found lack of supervision at a municipal level. In response to the audit finding and informed by its service delivery objectives, the organizational structure is reviewed and developed.

To achieve the objectives set out in the IDP, it is vital that the capacity and transformation needs of the Municipality be clearly defined and understood. With the inauguration of the newly elected mayor and Councillors on 18 August 2016, a provisional organizational structure was put in place. The organogram was finally approved with implementation still outstanding.

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

An organogram was adopted by council, but has not been implemented, nor has placement been done.

During the 2017/18 financial year, the posts of Municipal Manager and Chief Financial Officer were filled. The total number of posts in Dr Beyers Naudé Municipality was 737, of which 519 were filled.

		Vacancy Rate: 2017/2018		
	Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)%
	Municipal Manager	1	0	100
	CFO	1	0	100
	Other S57 Managers (excluding Finance Posts)	3	1	33
	Other S57 Managers (Finance Posts)	0	0	0
	Law enforcement Officers	2	2	100
	Firefighters	9	0	0
	Senior management levels 13-15 (excluding Finance posts)	20	1	7.3
	Senior management levels 13-15 (Finance posts)	4	0	0.5
	Highly skilled supervision levels 9-12 (excluding Finance posts)	95	0	0
	Highly skilled supervision levels 9-12 (Finance posts)	47	0	0
	<b>Total</b>	<b>177</b>	<b>8</b>	<b>24</b>

### Staff Turn-over

Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
2016	0	18	3.5%
2017	3	8	1.5%
2018	54	27	5.2%

### COMMENTS ON VACANCIES AND TURNOVER

The positions of Municipal Manager, CFO and Director: Community Services were filled in September 2017.

In line with the Municipality's Succession Planning Policy, opportunities are created for employees to advance within the ranks of the institution, through vacant posts first being advertised internally, and only if no suitable internal candidate can be found, will the post be advertised externally.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION

A draft organisational structure was developed and presented to all stakeholders for input, and remained as a draft document up until 30 June 2018.

Dr Beyers Naudé Municipality is committed to the principles of Employment Equity and has made conscious effort to appoint historically and previously disadvantaged Individuals in the top four tiers of its Staff Establishment.

### 4.2 POLICIES

	Name of Policy	Completed %	Reviewed %	Date adopted by council
1	Institutional Plan (HR Plan)	0	0	Draft
2	Employment Equity Plan	0	0	Draft
3	Workplace Skills Plan	100	0	30/04/2018
4	Relocation Policy	100	0	23/05/2017
5	Migration & Placement policy	100	0	29/05/2018
6	Subsistence & Travel	100	2	23/05/2017
7	Recruitment and selection	100	0	23/05/2017
8	Leave	100	0	23/05/2017
9	Skills development and training	100	0	23/05/2017
10	Overtime	100	0	23/05/2017
11	Termination of employment	0	0	No policy in place for new municipality
12	Legal assistance & Indemnification	0	0	No policy in place for new municipality
13	council- Administration Of owned housing stock leased to employees	0	0	No policy in place for new municipality
14	Private work & declaration of interests	0	0	No policy in place for new municipality
15	Smoking control	0	0	No policy in place for new municipality
16	Alcohol and drug abuse	0	0	No policy in place for new municipality
17	Remuneration	0	0	No policy in place for new municipality
18	Allowances	0	0	No policy in place for new municipality
19	Succession planning	0	0	No policy in place for new municipality



	Name of Policy	Completed	Reviewed	Date adopted by council
20	Scarce skill and retention	0	0	No policy in place for new municipality
21	Employee study assistance (bursary)	0	0	No policy in place for new municipality
22	Health & safety	0	0	No policy in place for new municipality
23	Employee Wellness	0	0	No policy in place for new municipality
24	HIV/Aids in the workplace (HR/SPU)	0	0	No policy in place for new municipality
25	Bad weather / inaccessibility	0	0	No policy in place for new municipality
26	Heat & Stress & Discomfort levels	0	0	No policy in place for new municipality
27	Sexual Harassment	0	0	No policy in place for new municipality
28	Organisational rights & LLF	100	0	ORA & LLF in place
29	Code of Conduct (Sec.69 of MSA)	100	0	In place, applied
30	Grievance & Disciplinary procedures	100	0	SALGBC procedures in place
31	Customer care policy	0	0	Draft
32	Communication and public participation strategy (Incl. stakeholder mobilization) (Internal/External)	100	0	06/04/2017
33	Records management policy	0	0	Outstanding
34	ICT policies and procedures	0	0	Draft

## COMMENTS ON WORKFORCE POLICY DEVELOPMENT

A Service Provider was appointed to develop policies for the new Municipality.

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

#### Number and cost of Injuries on Duty (IOD)

Type of injury	Injury leave time taken (days)	Employees using Injury leave (no.)	Proportion employees using sick leave %	Average injury leave per employee	Total estimated cost R
Required basic medical attention only	47	6	8	12	60
Temporary total Disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal		0	0	0	0
<b>Total</b>	<b>47</b>	<b>6</b>	<b>8</b>	<b>12</b>	<b>60</b>

#### Number of days and cost of Sick Leave (excluding IOD)

Salary Band	Total sick leave (days)	Proportion of sick leave without medical certification %	Employees using sick leave (no.)	Total employees in post	Average sick leave per employee
Lower skilled (Levels TG 1-3 / PL 15-16)	1182	14.97	108	172	6.87
Skilled TG4-6 / PL 14-11	380	28.68	50	70	5.42
Highly skilled supervision TG 7-12 / PL9-4	371	18.59	38	63	5.88
Senior management PL 3-1	55	13.63	09	14	4.71
MM and SS7	18	27.77	04	05	3.6
<b>Total</b>	<b>2286</b>	<b>18.28</b>	<b>238</b>	<b>357</b>	<b>6.4</b>

#### COMMENT ON INJURY AND SICK LEAVE

For injuries on duty, supervisors take injured workers to HR department where necessary forms are completed and injured person is then referred to medical practitioner. The municipality does not have its own doctor and make use of local practitioners. Sick leave is monitored by municipality, and personal records maintained of the number of instances of sick leave and amount of time taken each year.

## Number and period of Suspensions

Position	Nature of Alleged Misconduct	Date Of Suspension	Details of Disciplinary Action Taken and Status of Case and Reason why	Date Finalised
Manager: Community Services	Alleged irregular and/or fruitless and Wasteful expenditure	06/12/2017 11/02/2018		26/03/2018
Manager: SCM	Alleged interference with SCM procedures in the awarding of a tender	09/04/2018		26/03/2018
Chief Clerk: SCM	Alleged interference with SCM procedures in the awarding of a tender	09/04/2018		26/03/2018
Senior Clerk: SCM	Alleged interference with SCM procedures in the awarding of a tender	09/04/2018		26/03/2018
Director: Community Services	Alleged undermining of the smooth operations of the employer, causing division, factions and promoting infighting amongst employees. Gross insubordination in that you wilfully and intentionally respond to correspondence from the MM's Office	25/05/2018		Pending
Manager Community Service	Alleged undermining of the smooth operations of the employer, causing division, factions and promoting infighting amongst employee.	10/05/2018		Pending
Snr ICT Officer	Alleged undermining the smooth running of the operations of the employer Unlawfully extended without authority or instruction the	17/05/2018		Pending

	procurement process of photocopier machines			
Snr Clerk Income	Alleged gross and negligence and theft	13/07/2017		Pending
Cashier: Jansenville	Alleged gross and negligence and theft	13/07/2017		Pending

## 4.4 PERFORMANCE REWARDS

No performance rewards were rewarded during the 2017/18 Financial Year.

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

#### INTRODUCTION

*Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

The Municipality's Workplace Skills Plan is reviewed annually; the most recent one was submitted to LGSETA along with the Municipality's annual Training Report in April 2018. 0.42% of the municipality's annual Salary Budget is applied towards implementing the WSP. Section 10 of the WSP addresses the issue of Critical and Scarce Skills, and the Municipality fully supports its staff being trained in Capacity Building and Scarce Skills.

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

Kindly refer the tables on the following pages.

# Chapter 4

Skills Matrix						
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0			Total
			Leaverships	Skills programmes & other short courses	Other forms of training	



	No.	Actual : End of Year 1	Actual : End of Year 0	Year 0 Target	Actual End of Year 1	Actual End of Year 0	Year 0 target	Actual End of Year 1	Actual End of Year 0	Year Target
MM and SS7	Female	1	1	0	0	0	0	1	1	0
	Male	3	1	1	0	0	0	1	0	1
Councillors senior officials and managers	Females	12	4	4	8	8	8	12	8	8
	Males	38	19	0	19	19	19	38	33	19
Technicians and associate professionals*	Female	13	0	0	0	0	0	0	0	0
	Males	15	0	0	0	0	0	0	0	0
Professionals	Females	20	1	0	0	0	0	1	1	0
	Males	11	2	1	0	0	0	2	1	0
Sub total	Females	46	0	0	0	0	0	0	0	0
	Males	67	0	0	0	0	0	0	0	0
Total		113	0	0	0	0	0	0	0	0

\*Registered with professional Associate Body e.g. CA (SA) T4.5.1

Skills Development Expenditure								
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1					
			Learnerships	Skills programmes & other short courses		Other forms of training		Total
	No.		Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	32933	0	0	0	0	32933
	Male	4	23934	0	0	8999	8999	32933
Legislators, senior officials and managers	Female	12	18927	4320	4786	4786	9220	32933
	Male	38	32933	27650	0	0	0	32933
Professionals	Female	20	26326	0	6607	6607	0	32933
	Male	11	32933	0	0	0	0	32933

# Chapter 4

Technicians and associate professionals	Female	13	32933	0	0	0	0	0	0	0	32933	0
	Male	15	32933	0	0	0	0	0	0	0	32933	0
Clerks	Female	47	32933	0	0	0	0	0	0	0	32933	0
	Male	16	32933	0	0	0	0	0	0	0	32933	0
Service and sales workers	Female	11	32933	47553	0	0	0	0	0	0	32933	47553
	Male	31	32933	34592	0	0	0	0	0	0	32933	34592
Plant and machine operators and assemblers	Female	0	32933	0	0	0	0	0	0	0	32933	0
	Male	78	32933	0	0	0	0	0	0	0	32933	0
Elementary occupations	Female	44	32933	0	0	0	0	0	0	0	32933	0
	Male	223	9496	4125	0	0	23437	23437	0	0	32933	27562
Sub total	Female	148	0	0	0	0	0	0	0	0	0	0
	Male	416	0	0	0	0	0	0	0	0	0	0
Total												
% and * R value of municipal salaries (original budget) allocated for workplace skills plan												R526 923
												T4.5.3

## COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

The municipality's budget is effective for training of staff. However, the implementation of the budget is not adequately addressed, thus the need for a skills development official to identify training needs, and coordinate and assist to ensure that amounts are accurately budgeted for and utilised.

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

## INTRODUCTION

Expenditure such as overtime is controlled via policies that were put in place and managers are encouraged to monitor this and use their discretion.

## 4.6 EMPLOYEE EXPENDITURE

32% of the 2017/18 Operating Budget was allocated to employee costs. There are employees whose salary levels exceed the grade determined by Job Evaluation.

Employees Whose Salary Levels Exceed The Grade Determined by Job Evaluation				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for deviation
LED	1		330 852.00	Position was on higher post level
SDF	1		330 852.00	Position was on higher post level
SEC: CFO	1	8	217 176.00	Position was on higher post level
HR CLERK: BENEFITS	1	7	228 312.00	Position was on higher post level
SPU	1		330 852.00	Position was on higher post level
ICT SUPPORT	1		264 744.00	Position was on higher post level
SUPERVISORS	23	7	265 212.00	EQUALIZATION
ELECTRICIANS	11	10	265 212.00	EQUALIZATION
ASSISTANT MANAGERS	7	3	457 572.00	EQUALIZATION
DRIVER GR3 / CLERK	1		143 712.00	EQUALIZATION
SECRETARIES/PA'S	5		209 256.00	EQUALIZATION
PROGRAMME OPERATOR	1		271 392.00	EQUALIZATION
SNR PROGRAMME OPERATOR	1		313 128.00	EQUALIZATION
CUSTOMER CARE OFFICER	2		265 212.00	EQUALIZATION
CHIEF CLERK PAYROLL	1		265 212.00	EQUALIZATION
SNR CASHIER	1		247 008.00	EQUALIZATION
LAW ENFORCEMENT OFFICER	2		258 996.00	EQUALIZATION
FIRE FIGHTERS	10		252 948.00	EQUALIZATION
EXPENDITURE CLERK	1	T6	313 128.00	EQUALIZATION
TRAFFIC OFFICER	2	T9	247 008.00	EQUALIZATION
FREE BASIC SERVICES CO-ORDINATOR	1		258 996.00	EQUALIZATION
PMS CO-ORDINATOR	1		369 660.00	EQUALIZATION

## Chapter 4

OPERATOR	1	T6	241 272.00	EQUALIZATION
MAYORAL DRIVER	1		157 428.00	EQUALIZATION
SNR CLERK; ELECTRICAL	1	T6	252 948.00	EQUALIZATION
SNR LIBRARY ASSISTANT	2		235 584.00	EQUALIZATION
CHIEF CLERK REPORTING	1		291 636.00	EQUALIZATION
CLERK: BANKING & RECONCILIATION	1		265 212.00	EQUALIZATION
CHIEF CLERK: SCM	1		265 212.00	EQUALIZATION
SNR CLERK: SCM	1		224 664.00	EQUALIZATION
CLERK GR2 COLLECTIONS	1		157 428.00	EQUALIZATION
SNR CLERK: ASSETS	1		224 664.00	EQUALIZATION
SNR CLERK: CONTRACT MANAGEMENT	1		219 432.00	EQUALIZATION
SNR CLERK: LICENSING	1		224 664.00	EQUALIZATION
CIVIL TECHNICIAN	1		305 772.00	EQUALIZATION

*No employees were appointed to posts not approved.*

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

Job evaluations for new entity must be done by District – no job descriptions for new entity.



## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL PERFORMANCE

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

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The 2017/18 financial year was a financially a difficult year for the municipality. Dr Beyers Naude is still struggling with debt inherited from amalgamation, old fleet and equipment that constantly need repairs and insufficient number of vehicles to ensure that excellent service delivery is done.

With the assistance of committed staff the debt collection rate was increased from 60% to 90%. Cost containment measures were approved and implemented to help with the inflationary pressure and the Financial Recovery plan was revised.

Cost containment measures included reducing overtime, printing cost and reducing travelling outside of the boundaries of the municipality.

The municipality was faced with equalising salaries of the former three municipalities which placed additional burden on the cash resources of the municipality. Agreements with a number of creditors had to be entered into to assist in some relieve on the cash flow.

The municipality entered into contracts with the following consultancy services to assist in crucial functions:

- Debt collection – the cost for the financial year amounted to R2 160 291
- VAT recovery – the cost for the financial year amounted to R2 098 821
- Annual Financial Statements – the cost for the financial year amounted to R1 284 745



### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

##### INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.*

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

As can be seen the municipality traded at a deficit of R43.2 million (R43.7 mill 2016/17). The municipality is heavily reliant on Government grants and subsidies especially for infrastructure projects. The municipality does not have sufficient resources to fund capital expenditure from own revenue.

Employee cost contributes 32.9% to total expenditure. R3.8 million was spent on contracted services. Finance cost of R7.2 million is mainly due to the inability of the municipality to pay creditors within the required 30 days.

R52.8 million (98.8%) of the capital expenditure was funded through grant funding, which clearly illustrates the municipality's dependants on grant funding.

Cash equivalents at year end were (R10.8) million. This clearly illustrates the municipality's difficulties with cash flow management

T 5.1.0.

EC001 Dr Beyers Naudé Local Municipality- Table A1 Budget Summary

Description	2017/2018							2016/2017				
	Original Budget	Budget Adjustments (i.e. MFMA 620)	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
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Financial Performance</b>												
Property rates	43 585	(4 158)	39 445	51 809	-	(7 638)	80.0%	73.0%	-	-	-	21 626
Service charges	147 288	7 795	155 081	153 905	-	(1 177)	99.2%	104.5%	-	-	-	165 263
Investment revenue	1 377	953	2 330	1 919	-	(420)	82.0%	139.4%	-	-	-	1 727
Transfers recognised - operating	167 439	6 480	113 919	115 191	-	1 272	101.1%	107.2%	-	-	-	109 040
Other own revenue	17 224	(1 675)	15 549	18 443	-	3 094	120.2%	107.1%	-	-	-	15 450
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>316 821</b>	<b>9 213</b>	<b>326 134</b>	<b>321 267</b>	<b>-</b>	<b>(4 847)</b>	<b>88.5%</b>	<b>101.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253 886</b>
Employee costs	125 434	838	127 372	136 171	-	10 799	108.5%	109.3%	-	-	-	108 123
Remuneration of councillors	9 195	129	9 324	9 324	-	(0)	100.0%	101.4%	-	-	-	7 388
Debt impairment	8 860	6 000	14 860	5 626	-	(9 234)	37.8%	63.5%	-	-	-	36 179
Depreciation & asset impairment	71 185	(6 000)	65 185	62 711	-	(2 464)	96.2%	88.1%	-	-	-	65 116
Finance charges	358	4 970	5 328	7 228	-	1 900	136.4%	2393.0%	-	-	-	6 160
Materials and bulk purchases	61 837	20 363	82 000	81 208	-	(792)	99.0%	131.3%	-	-	-	69 882
Transfers and grants	67	120	187	21	-	(166)	11.4%	31.9%	-	-	-	-
Other expenditure	120 046	18 049	136 097	115 227	-	(20 870)	84.7%	96.0%	-	-	-	82 130
<b>Total Expenditure</b>	<b>367 934</b>	<b>42 370</b>	<b>408 304</b>	<b>418 517</b>	<b>-</b>	<b>(42 789)</b>	<b>95.3%</b>	<b>105.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>374 168</b>
<b>Surplus/(Deficit)</b>	<b>(51 012)</b>	<b>31 353</b>	<b>(114 969)</b>	<b>(91 250)</b>	<b>-</b>	<b>15 820</b>	<b>84.1%</b>	<b>121.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(110 282)</b>
Transfers recognised - capital	64 769	(8 633)	73 593	54 956	-	(18 637)	74.7%	84.9%	-	-	-	66 635
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(16 252)</b>	<b>42 758</b>	<b>(40 576)</b>	<b>(43 294)</b>	<b>-</b>	<b>(2 678)</b>	<b>104.8%</b>	<b>218.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43 727)</b>
Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(16 252)</b>	<b>42 758</b>	<b>(40 576)</b>	<b>(43 294)</b>	<b>-</b>	<b>(2 678)</b>	<b>104.8%</b>	<b>218.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43 727)</b>
<b>Capital expenditure &amp; funds sources</b>												
<b>Capital expenditure</b>												
Transfers recognised - capital	64 460	(4 993)	71 961	52 827	-	(19 154)	74.5%	82.9%	-	-	-	66 135
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	309	-	656	632	-	(34)	96.0%	211.0%	-	-	-	-
<b>Total sources of capital funds</b>	<b>64 769</b>	<b>(4 993)</b>	<b>72 617</b>	<b>53 459</b>	<b>-</b>	<b>(19 160)</b>	<b>73.6%</b>	<b>82.6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62 396</b>
<b>Cash flows</b>												
Net cash from (used) operating	(22 808)	56 280	33 472	15 300	-	(18 172)	45.7%	-67.1%	-	-	-	83 632
Net cash from (used) investing	(58 167)	(7 887)	(66 054)	(53 449)	-	12 605	80.9%	91.9%	-	-	-	(58 439)
Net cash from (used) financing	2 136	(2 893)	75	(195)	-	(270)	-258.8%	-4.1%	-	-	-	(308)
<b>Cash/cash equivalents at the</b>	<b>(78 239)</b>	<b>84 944</b>	<b>5 744</b>	<b>(10 889)</b>	<b>-</b>	<b>(16 639)</b>	<b>-188.9%</b>	<b>13.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 465</b>

# Chapter 5

Financial Performance of Operational Services						
Description	R'000					
	Year-1	Year 0		Year 0 Variance		
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	-14 585	-19 412	-11 474	-19 726	2%	72%
Waste Water (Sanitation)	15 149	5 329	15 364	-33 976	-738%	-321%
Electricity	4 666	-17 684	-2 445	-10 096	-43%	313%
Waste Management	9 439	5 052	6 428	9 418	86%	47%
Housing	-354	-3	-3	-297	9800%	9800%
<b>Component A: sub-total</b>	<b>14 315</b>	<b>-26 718</b>	<b>7 870</b>	<b>-54 677</b>	<b>105%</b>	<b>-795%</b>
<b>Waste Water (Stormwater drainage)</b>						
Roads	17 798	37 700	21 261	24 783	-34%	17%
Transport						
<b>Component B: sub-total</b>	<b>17 798</b>	<b>37 700</b>	<b>21 261</b>	<b>24 783</b>	<b>-34%</b>	<b>17%</b>
<b>Planning</b>	<b>628</b>	<b>7 594</b>	<b>-21 219</b>	<b>14 070</b>	<b>85%</b>	<b>-166%</b>
Local Economic development						
<b>Component B: sub-total</b>	<b>628</b>	<b>7 594</b>	<b>-21 219</b>	<b>14 070</b>	<b>85%</b>	<b>-166%</b>
<b>Planning (Strategic &amp; Regulatory)</b>						
Local Economic Development	1 424	6 383	4 236	2 380	-63%	-44%
<b>Component C: sub-total</b>	<b>1 424</b>	<b>6 383</b>	<b>4 236</b>	<b>2 380</b>	<b>-63%</b>	<b>-44%</b>
<b>Community &amp; Social Services</b>	<b>7 673</b>	<b>4 482</b>	<b>2 255</b>	<b>2 479</b>	<b>-45%</b>	<b>10%</b>
Environmental Protection						
Health	1 099	4 282	2 740	2 705	-37%	-1%
Security and Safety	1 709	-1 048	1 451	3 546	-438%	144%
Sport and Recreation	13 353	15 422	15 631	14 835	-4%	-5%
Corporate Policy Offices and Other	-14 272	-31 842	6 351	33 133	-204%	422%
<b>Component D: sub-total</b>	<b>9 562</b>	<b>-8 704</b>	<b>28 428</b>	<b>56 698</b>	<b>-751%</b>	<b>99%</b>
<b>TOTAL EXPENDITURE</b>	<b>43 727</b>	<b>16 255</b>	<b>40 576</b>	<b>43 254</b>	<b>166%</b>	<b>7%</b>

## Repair and Maintenance Expenditure: 2016/17

				R' 000
	Original Budget	Adjustment Budget		Budget variance
			Actual	
Repairs and Maintenance Expenditure	20103	20103	4505	78%

## 5.2 GRANTS

Grant Performance						
R' 000						
Description	Year -1	Year 0		Actual	Variance Original Budget %	Variance Adjustment Budget %
	Actual	Budget	Adjustments Budget			
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	105 132	112 468	110 288	112 220	-0.22%	1.75%
Equitable share	70 201	77 494	77 494	77 494	0.00%	0.00%
Municipal Systems Improvement	-	-	-	-		
Department of Water Affairs	-	-	468	468		0.00%
Levy replacement						
Other transfers/grants	34 931	34 974	32 326	34 258	-2.05%	5.98%
<b>Provincial Government:</b>	1 935	1 302	1 302	1 501	15.30%	15.30%
Health subsidy	1 208	1 208	1 208	1 208	0.00%	0.00%
Housing	728	94	94	293	211.88%	211.88%
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants						
<b>District Municipality:</b>	1 828	2 080	2 050	1 126	-43.73%	-45.10%
Fire Grant	1 665	1 850	1 850	926	-49.97%	-49.97%
LED	163	150	200	200	33.33%	0.00%
<b>Other grant providers:</b>	145	-	280	345		23.06%
SETA	145	-	280	345		23.06%
<b>Total Operating Transfers and Grants</b>	<b>109 040</b>	<b>115 789</b>	<b>113 919</b>	<b>115 191</b>	<b>-0.50%</b>	<b>1.12%</b>
Variances are calculated by dividing the difference between actual and adjustments budget by the adjustment budget. Full list of provincial and national grants available from published gazettes.						

### COMMENT ON OPERATING TRANSFERS AND GRANTS

The municipality received a Finance Management Grant to the value of R5.9 million which is mainly used for the appointment of financial interns and skills development of finance staff, including the minimum competency training. The grant was also used to improve internal audit unit and to assist in the preparation of Annual Financial Statements.

An Amalgamation grant to the value of R10.8 million was received to assist with processes relating to the amalgamation.

Finance Management support grant to the value of R1.08 million was received from COGTA and was used to address audit findings of the previous financial year.

The municipality also received R3.7 million from COGTA to assist with Eskom payments.

The municipality did not receive the full Fire Grant from the District Municipality.

All grants were used in terms of approved business plans and were fully spent at financial year end.

## 5.3 ASSET MANAGEMENT

### INTRODUCTION

The objective of asset management per the Asset Management Policy is to ensure effective and efficient control over the municipality's assets by or through:

- The proper recording of assets from the date of authorisation, acquisition and to subsequent disposal.
- Providing for safeguarding procedures
- Setting proper guidelines regarding permissible utilisation; and
- Prescribing requirements for the proper maintenance of assets.

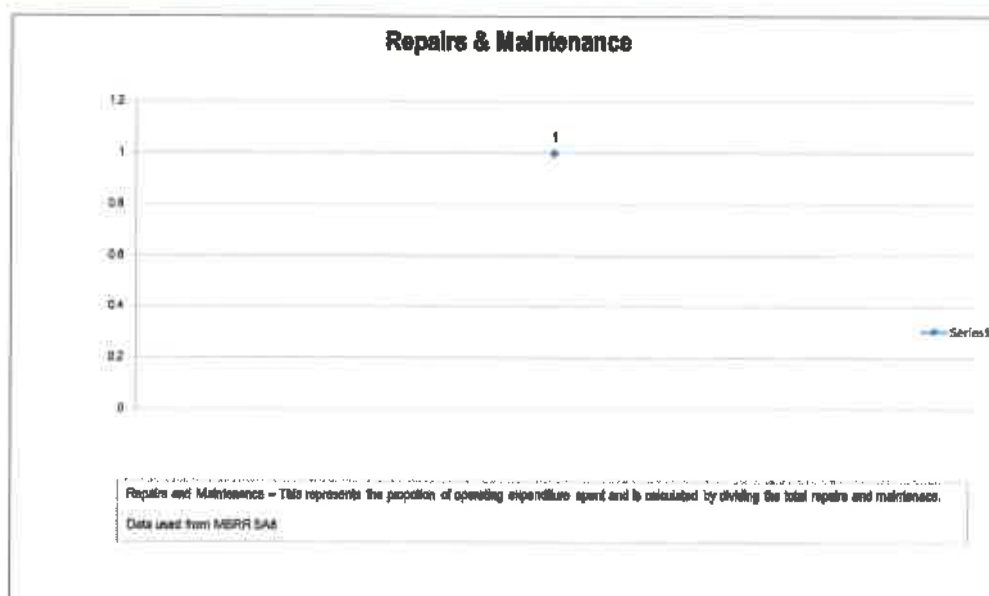
This policy must comply with all relevant legislative requirement, including:

- The Constitution of the Republic of South Africa, 1996;
- Municipal Structure Act 1998;
- Municipal Systems Act, 2000;
- Division of Revenue Act (enacted annually);
- Municipal Finance Management Act No 56 of 2003.

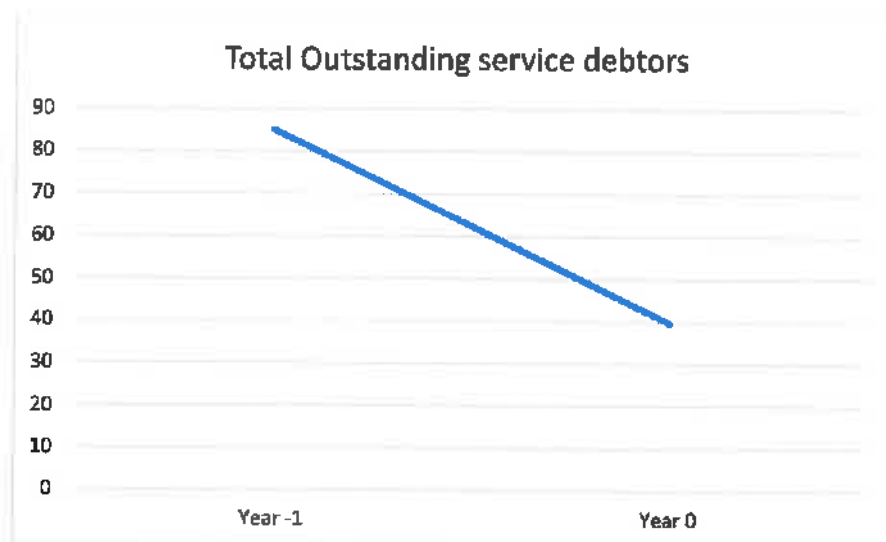
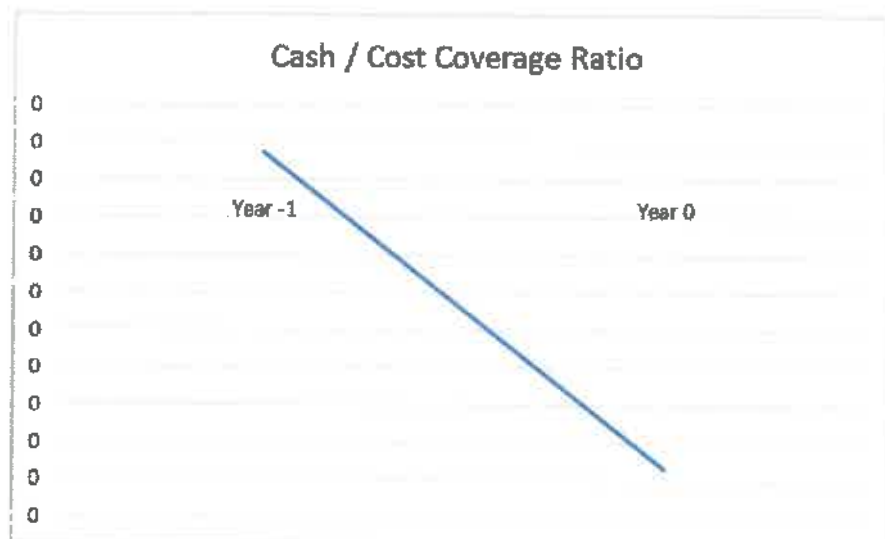
The vastness of the municipal area makes asset management extremely difficult. The Asset Management unit is currently occupied by only 3 staff members that must ensure control over the asset register.

The municipality is currently struggling financially and the maintenance of assets is becoming more and more difficult. The municipality is currently only spending 1% on repairs and maintenance.

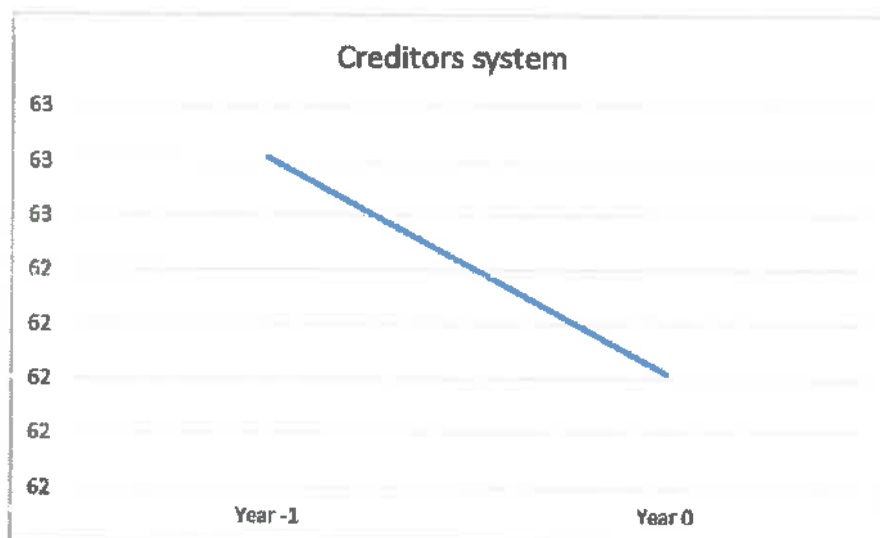
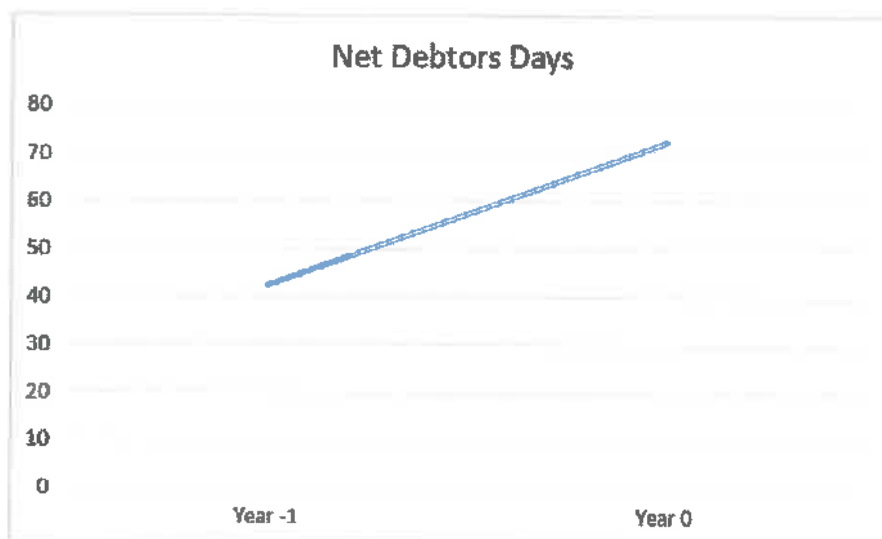
Repair and Maintenance Expenditure: Year 0				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	17854	9761	7389	-24%
				T 5.3.4

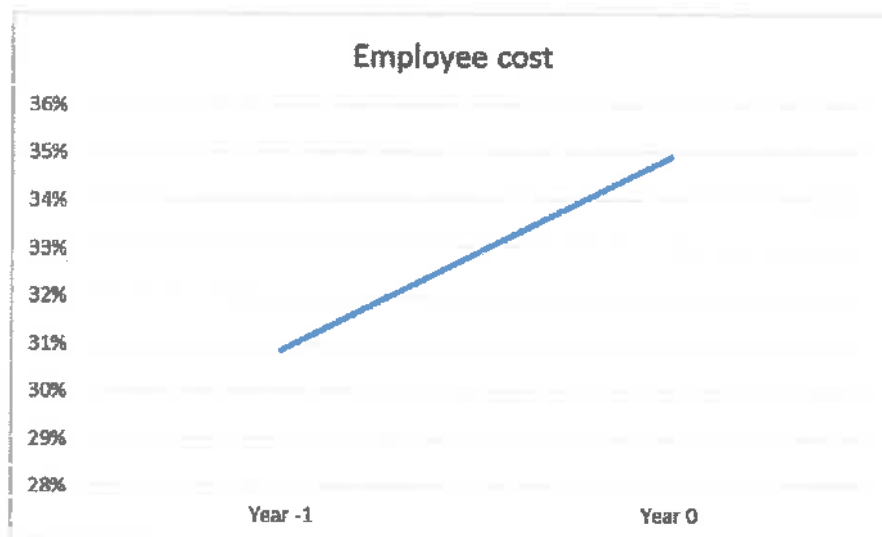
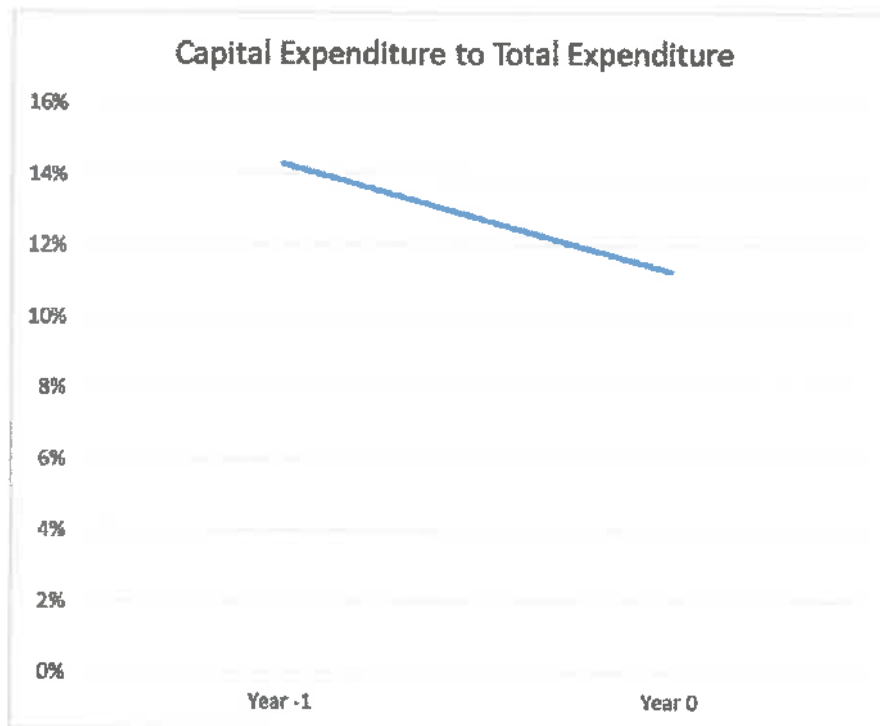


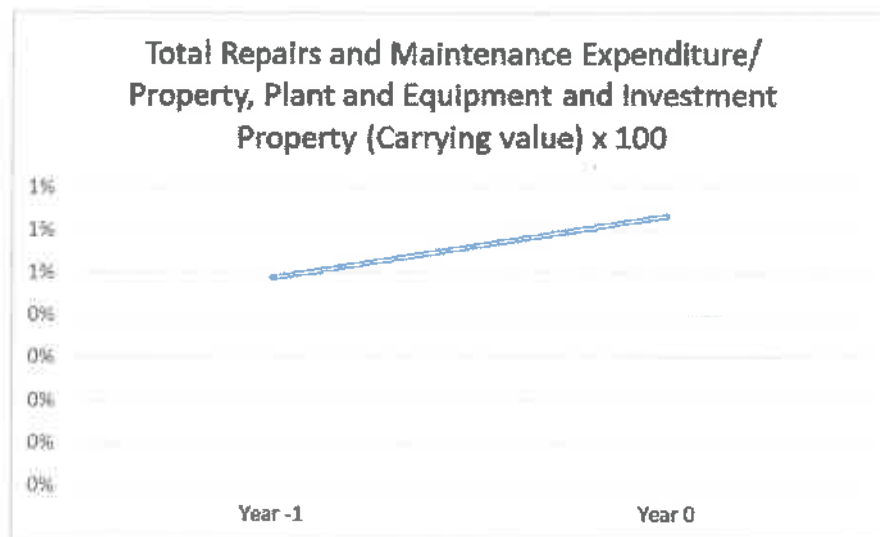
## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS











#### COMMENTS ON FINANCIAL RATIO'S

**As can be seen from the above ratio's the municipality is struggling financially.**

Employee cost have increased from 32% to 35% which could be contributed to the equalisation process that had to be undertaken, ensuring that all staff members performing the same duties are equally remunerated. There were significant differences between the former municipalities prior to amalgamation.

The municipality is currently only spending 1% on repairs and maintenance which contributes to the poor quality of the fleet and equipment as well as infrastructure. Repairs and maintenance should in future be prioritised.

Capital expenditure to operating expenditure has decreased due to conditional grants being less than previous financial year and the municipality cannot fund capital expenditure from own finances.

It takes on average 73 days for debtors to pay their municipal accounts. This contributes to the severe cash flow constraints experienced.

Creditors cannot be paid within the required 30 days.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

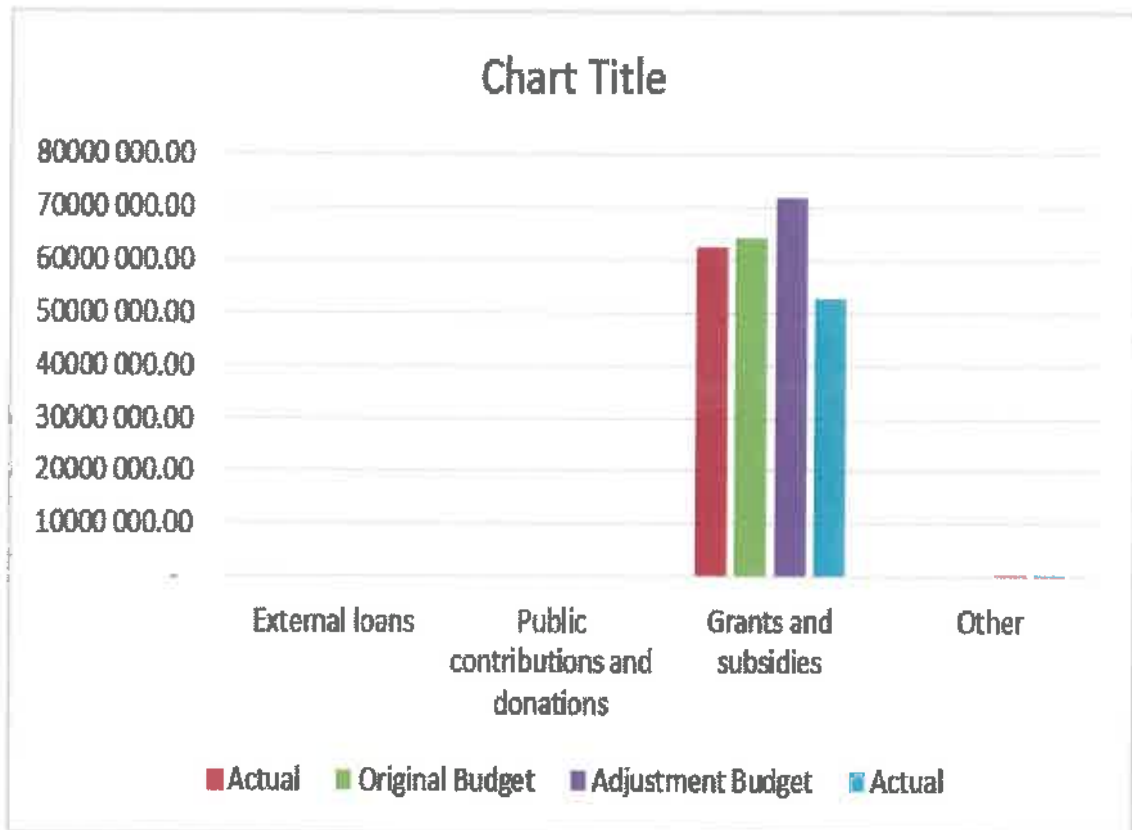
### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and surpluses. Component B deals with capital spending indicating where the funding comes from and whether the Municipality is able to spend the available funding as planned.

### 5.5 CAPITAL EXPENDITURE

Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	Year -1		Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans	-	-	-	-	0.00%	0.00%	
Public contributions and donations	-	-	-	-	0.00%	0.00%	
Grants and subsidies	62 499 090	64 460 430	71 981 278	52 827 300	11.67%	-18.05%	
Other		300 000	666 120	631 727	122.04%	110.56%	
<b>Total</b>	<b>62 499 090</b>	<b>64 760 430</b>	<b>72 647 398</b>	<b>53 459 027</b>	<b>12.18%</b>	<b>-17.45%</b>	
<b>Percentage of finance</b>							
External loans							
Public contributions and donations							
Grants and subsidies		99.54	99.08	98.82	-0.45	-0.72	
Other		0.46	0.92	1.18	0.49	0.72	
<b>Capital expenditure</b>							
Water and sanitation	55 474 713	49 536 154	41 082 152	26 309 911	0.00%	-46.89%	
Electricity	1 478 609	7 300 000	11 187 109	10 749 100	0.00%	47.25%	
Housing		-	-				
Roads and storm water	4 925 452	2 320 476	6 656 423	13 324 577	186.86%	474.22%	
Other	622 117	5 603 800	13 721 715	3 075 439	144.86%	-45.12%	
	<b>62 499 090</b>	<b>64 760 430</b>	<b>72 647 398</b>	<b>53 459 027</b>	<b>12.18%</b>	<b>-17.45%</b>	
Water and sanitation		76.49%	56.55%	49.22%	-19.94%	-27.28%	
Electricity		11.27%	15.40%	20.11%	4.13%	8.83%	
Housing		0.00%	0.00%	0.00%	0.00%	0.00%	
Roads and storm water		9.58%	9.16%	24.92%	5.58%	21.34%	

## 5.6 SOURCES OF FINANCE



### COMMENT ON SOURCES OF FUNDING:

The above graph and table indicates the extent of the grant dependency for capital projects. 99% of all capital projects are funded by grants

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

SEE SDBIP OF 2017/18 ATTACHED

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW

CATEGORY	BACKLOG
ROADS	328,92
SPORTS FIELDS	12
COMMUNITY HALLS	20
SANITATION	1020
WATER	1870

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.9 CASH FLOW

#### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is the most important aspect of every business. A healthy cash flow ensures that the municipality can pay salaries on time and have funds for growth and expansion of service delivery. Resources are also available for paying creditors on time. A regular analysis of the municipality's finances ensures that management can project the future cash flow with accuracy and take necessary action.

The amalgamation continues to put constraints on the cash flow as creditors inherited from amalgamation needs to be paid. The additional employee cost is another factor which contributes to the cash flow constraints. The vastness of the area requires a lot of travelling and associated cost. Staff regularly needs to travel between the towns to perform their functions.

Old fleet and equipment places strain on financial resources with continuous maintenance that is required.



Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	138 365	199 646	193 418	169 638
Government - operating	109 040	107 439	113 919	115 191
Government - capital	66 635	64 760	73 593	54 996
Interest	7 586	3 243	2 339	11 469
Dividends	—	—	—	—
<b>Payments</b>				
Suppliers and employees	(231 835)	(397 501)	(344 312)	(328 747)
Finance charges	(6 160)	(328)	(5 298)	(7 229)
Transfers and Grants	—	(67)	(187)	(18)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>83 632</b>	<b>(22 808)</b>	<b>33 472</b>	<b>15 300</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	3 660	6 593	6 593	10
Decrease (Increase) in non-current debtors	—	—	—	—
Decrease (Increase) other non-current receivables	—	—	—	—
Decrease (Increase) in non-current investments	—	—	—	—
<b>Payments</b>				
Capital assets	(62 499)	(64 760)	(72 647)	(53 459)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(58 839)</b>	<b>(58 167)</b>	<b>(66 054)</b>	<b>(53 449)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	—	—	—	—
Borrowing long term/refinancing	—	—	—	—
Increase (decrease) in consumer deposits	—	2 138	75	—
<b>Payments</b>				
Repayment of borrowing	(308)	—	—	(195)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(308)</b>	<b>2 138</b>	<b>75</b>	<b>(195)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>24 485</b>	<b>(78 837)</b>	<b>(32 507)</b>	<b>(38 343)</b>
Cash/cash equivalents at the year begin:	2 970	557	38 271	27 455
Cash/cash equivalents at the year end:	27 455	(78 280)	5 764	(10 889)
Source: MBRR A7				T 5.9.1

## COMMENT ON CASH FLOW OUTCOMES:

As can be seen the available cash at year end has significantly decreased from the previous financial year – indicating the extreme situation the municipality finds itself in.

## 5.10 BORROWING AND INVESTMENTS

## INTRODUCTION TO BORROWING AND INVESTMENTS

Dr Beyers Naudé does not have any borrowings. Investments are normally short term investments for grant funds received.

Due to disclaimer audit outcomes the municipality is struggling to obtain any loans from commercial banks. Long term loans can only be used to procure capital items to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution.

Municipal and Entity Investments			
	R' 000		
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<b>Municipality</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	N/A	32 654	1 006
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	0	32 654	1 006
<b>Municipal Entities</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	0	0	0
<b>Consolidated total:</b>	0	32 654	1 006

### 5.11 PUBLIC PRIVATE PARTNERSHIPS

The municipality does not have any public private partnerships.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management seeks to ensure the proper flow of goods and services between the supplier and the municipality in the right quality and quantity whilst advancing the goals of the IDP, ensuring value for money, expeditious and appropriate service delivery. As a financial management tool, it seeks to reform and regulate the manner in which public funds are utilized when procuring goods and services, whilst in pursuit of service delivery that is responsive to the needs of the society and to curtail any maladministrative and fraudulent practices on the procurement front.

#### LEGISLATIVE REQUIREMENTS

Dr Beyers Naudé Local Municipality is committed to apply and create the prescribed legislative environment pertaining Supply Chain Management by way of:

- The constitution
- The Municipal Finance Management Act
- Regulations in terms of section 168 of the Municipal Finance Management Act
- Local Government: Municipal Systems Act
- The Preferential Procurement Policy Framework Act (PPPFA)
- The Prevention and Combating of Corrupt Activities Act
- The Construction Industry Development Board (CIDB) Act
- Other applicable by-laws, ordinance and legislation

#### POLICY CHANGES/AMENDMENTS 2017/18 FINANCIAL YEAR

The Dr Beyers Naudé Municipality's Supply Chain Management Policy was reviewed and approved on 23 May 2017.

#### FUTURE DEVELOPMENTS

The organisational structure of the supply chain unit will be reviewed in the next financial year to ensure better service delivery and distribution of functions. The new organogram will ensure that all towns are serviced by supply chain management officials located in the relevant towns.

### MFMP COMPETENCY LEVELS

The Manager SCM, Chief Clerk SCM and the Senior Clerk SCM have all met the minimum competency levels as prescribed by the National Treasury Regulations for Supply Chain Management officials.

### SUPPLY CHAIN MANAGEMENT PROCUREMENT PLAN 2017/18

The procurement plan is derived from the Municipal Service Delivery Budget Implementation Plan (SDBIP) which in turn directly relates to the municipal Integrated Development Plan (IDP).

The plan indicates quarterly targets that must be met by each department with regards to the procurement of goods and services. The report must be analysed in conjunction with the SDBIP.

### CHALLENGES FACED DURING THE YEAR

- Time frames in which tenders are awarded due to committee members not always available for meetings
- Local Supplier not registered on CSD
- Increased compliance requirements.
- Slow progress on procurement plans leads to delay in projects
- Placement of staff not finalized yet

### MAIN AUDIT FINDINGS DURING 2017/18

- Non-declaration of interest from suppliers
- Non-declaration of interest from bid committee members, snr management and SCM officials
- Procurement without the required number of quotes
- Bid Adjudicated committee not composed in accordance with regulations
- Tax matters of suppliers not in order

### 5.13 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

Dr Beyers Naudé is currently fully GRAP compliant and did not deviate from GRAP standards currently applicable.

### 5.14 MSCOA IMPLEMENTATION

MSCOA regulations became effective during 2014. The Dr Beyers Naudé Local Municipality has converted to MSCOA and are reporting on a monthly basis. Challenges were experienced during the 2017/18 financial year with regards to the compilation of the budget. The budget model was not in operations during the year and therefore the budget had to be compiled out of the system. This created a number of misalignments with the budget schedules.

It is anticipated that this problem will be resolved in the next financial year.

### CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

#### 6.1 AUDITOR-GENERAL REPORTS YEAR-1 (PREVIOUS YEAR)

##### INTRODUCTION

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

Delete Directive note once comment is completed - The Annual Financial Statements for 2017/18 is set out in Volume II. The audit on these financial statement were concluded during December 2018. The Audit report is included as annexure 3 in volume 2.

See annexure in excel document – table 6.1.1 & 6.1.2

#### COMPONENT B: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR-0 (2017/18)



## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	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.
<b>Activities</b>	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> .
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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 the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	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.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	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.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	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> .
<b>Outputs</b>	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 immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, 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)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	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 this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	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.
<b>Service Delivery Budget Implementation Plan</b>	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.
<b>Vote:</b>	<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><i>a) 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><i>b) 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

Council Members	Full Time / Part Time FT/PT	Committees Allocated	Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
				%	%
Cllr Deon de Vos		Chair of EXCO Chair of IDP Rep Forum and political champion of the IDP	Mayor	100%	0%
Cllr Willem Sifers	PT	MPAC Chairperson	Ward 1 Councillor	100%	0%
Cllr Linda Botha	PT		Ward 2 Councillor	87, 5%	12, 5%
Cllr Katie Hoffman	PT		Ward 3 Councillor	100%	0%
Cllr Xolile Galada	PT		Ward 4 Councillor	100%	0%
Cllr Glenda Makellina	PT		Ward 5 Councillor	87, 5%	12,5%
Cllr Themblile Tshona	PT		Ward 6 Councillor	100%	0%
Cllr Rudy Jacobs	PT		Ward 7 Councillor	100%	0%
Cllr Ewald Looek	PT	Portfolio Head of Budget & Treasury Committee	Ward 8 Councillor	100%	0%
Cllr Piet Bees	PT		Ward 9 Councillor	100%	0%
Cllr Louis Langeveldt	PT		Ward 10 Councillor	87, 25%	12,5%
Cllr Abraham Arries	PT		Ward 11 Councillor	87, 25%	12, 5%
Cllr Danie Bezuidenhout	PT		Ward 12 Councillor	100%	0%
Cllr Errol Rossouw	PT		Ward 13 Councillor	100%	0%
Cllr Joy Williams	PT		Ward 14 Councillor	100%	0%
Cllr Thembisa Nonnies	FT	Chairperson of Council	Speaker & PR Councillor	100%	0%
Cllr Pieter (Penn) Koeberg	PT	Portfolio Head on	PR Councillor	100%	0%

		Engineering & Planning Committee			
Cllr Angeline Booysen	PT		PR Councillor	100%	0%
		Portfolio Head on Community Services Committee			
Cllr Notizi Vanda	PT		PR Councillor	100%	0%
Cllr Asanda Mboneni	PT		PR Councillor	87, 25%	12,5%
		Portfolio Head on Corporate Services Committee			
Cllr Samantha Jankovich	PT		PR Councillor	87, 25%	12, 5%

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Purpose of Committee
Local Labour Forum	Discussing labour related issues
Training & Occupational Health & Safety Committee	Discussing training of employee and employer and occupational health and safety issues
Housing & Encroachment Committee	Discussing housing related issues
MPAC Committee & Oversight Committee	The committee plays an oversight role over operations of the Municipality
Disaster Management Committee	Discussing all issues relating to disaster
IGR Meeting Committee	Discussing Inter Governmental issues relating to all stakeholders or state departments
Disability Forum	Discussing Special Programmes pertaining to disabled people
Youth Forum	Discussing Special Programmes pertaining to youth of Dr Beyers Naudé Local Municipality
Sports Council	Discussing Special Programmes pertaining to sport codes of Dr Beyers Naudé Local Municipality
LED Committee	Discussing social and economic development issues
Audit Committee	Discussing audit related issues
Commonage Committee	Discussing all municipal commonage/farming land issue
IDP Representative Forum	Discussing all Integrated Development related items
IDP Steering Committee	Discussing Ward-Based Planning and Integrated Development Planning
Management Committee	Discussing all issued that needs recommendation/input from management
Technical & Infrastructure Committee	Discussing all the technical and infrastructural items
Community Development & Human Resources Committee	Discussing all HR and community developmental issues
Budget & Treasury Committee	Discussing all financial related matters

## APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

<b>DIRECTORATE</b>	<b>DIRECTOR/MANAGER</b>
	Mr. J.Z.A Vumazonke (Acting Municipal Manager until 31 August 2017) Dr E.M. Rankwana from 3 September 2017
<b>Municipal Manager</b>	
<b>Municipal Manager</b>	Chief Operations Officer – Mr. H. Hendricks
<b>Municipal Manager</b>	Internal Executive Audit – Mr. G. Maya
<b>Municipal Manager</b>	IDP Manager – Ms. L. Fouché
<b>Municipal Manager</b>	IDP Manager – Mr. A.C. (Jansenville) Damane
	Director Corporate Services – Mr. J.Z. Vumazonke until 31 May 2018
<b>Corporate Services</b>	
<b>Corporate Services</b>	Manager Administration & Acting Director Corporate Services 1 June 2018 to date – Ms. Z.V. Kali
<b>Corporate Services</b>	Acting Manager Administration – Ms. C. Cona 1 June 2018 to date
<b>Corporate Services</b>	Area Manager – Mrs. L. De Beer (Willowmore)
<b>Corporate Services</b>	Manager Corporate Services – Mr. M. Martin (Steytlerville)
<b>Corporate Services</b>	Manager Corporate Services – Mr. X. Jack (Jansenville)
	Director Community Services– Mr S. Mvunelwa 1 September 2017
<b>Community Services</b>	
<b>Community Services</b>	Manager Protection Services – Mr. C.V. Rhooode
<b>Community Services</b>	Manager Community Services – Mrs C. Ngqoza
	Acting Chief Financial Officer until 31 August 2017
<b>Budget &amp; Treasury</b>	Chief Financial Officer – Ms H. Kok 3 September 2017
<b>Budget &amp; Treasury</b>	Manager Reporting – Mr. S. Mbotya 1 April 2018
<b>Budget and Treasury</b>	Manager Revenue – January 2018
	Manager Assets & Supply Chain Management – Mr. R. Boggendoel
<b>Budget &amp; Treasury</b>	
<b>Engineering &amp; Planning Services</b>	Director: Engineering & Planning – Mr. W.I. Berrington
<b>Engineering &amp; Planning Services</b>	Asst. Director Engineering & Planning – Mr. B. Arends
<b>Engineering &amp; Planning Services</b>	Manager Electrical Services – Mr. A. Van Zyl
<b>Engineering &amp; Planning Services</b>	Manager PMU: EPWP/MIG – Mr. L. Mandla

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	NO	NO
Building regulations	YES	NO
Child care facilities	NO	NO
Electricity and gas reticulation	YES	NO
Fire fighting services	YES	NO
Local tourism	YES	NO
Municipal airports	YES	NO
Municipal planning	YES	NO
Municipal health services	NO	NO
Municipal public transport	NO	NO
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them <b>under this Constitution or any other law</b>	YES	NO
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	NO
Storm water management systems in built-up areas	YES	NO
Trading regulations	YES	NO



MUNICIPAL FUNCTIONS	Function	Function
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	NO
Beaches and amusement facilities	NO	NO
Billboards and the display of advertisements in public places	YES	NO
Cemeteries, funeral parlors and crematoria	YES	NO
Cleansing	YES	NO
Control of public nuisances	YES	NO
Control of undertakings that sell liquor to the public	YES	NO
Facilities for the accommodation, care and burial of animals	YES	NO
Fencing and fences	YES	NO
Licensing of dogs	NO	NO
Licensing and control of undertakings that sell food to the public	NO	NO
Local amenities	YES	NO
Local sport facilities	YES	NO
Markets	YES	NO
Municipal abattoirs	NO	NO
Municipal parks and recreation	YES	NO
Municipal roads	YES	NO
Noise pollution	YES	NO
Pounds	YES	NO
Public places	YES	NO
Refuse removal, refuse dumps and solid waste disposal	YES	NO
Street trading	YES	NO
Street lighting	YES	NO
Traffic and parking	YES	NO

## APPENDIX E – WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Clr Willem Sáfers	Ward 1 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Linda Botha	Ward 2 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Katie Hoffman	Ward 3 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr XolileGalada	Ward 4 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Glenda Makelina	Ward 5 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Thembile Tshona	Ward 6 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Rudy Jacobs	Ward 7 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Ewald Look	Ward 8 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Piet Bees	Ward 9 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Louis Langeveldt	Ward 10 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Abraham Arries	Ward 11 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Danie Bezuidenhout	Ward 12 Councillor	Not yet during 2016/17	N/A	N/A	N/A

## Appendices

Clr Errol Rossouw	Ward 13 Councillor	Not yet during 2016/17	N/A	N/A	N/A
Clr Joy Williams	Ward 14 Councillor	Not yet during 2016/17	N/A	N/A	N/A

APPENDIX F – WARD INFORMATION

WARD 1 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	Cemeteries (Fence, fix and maintain. Attend to flood damage as indicated on map)	None.
2	Stormwater (reconstruct and address ongoing problem in front of Clinic)	None. Shared competency.
3	Sports Fields (develop, upgrade & maintain)	None.
4	Playparks (fence, repair, maintain existing; construct new as indicated on map)	Completed (DEA project), but toilets and a caretaker are required.
WARD 2 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	RDP Housing : NB (housing development below Pienaarsig to be expedited)	Provincial competency. Funding has been made available for further planning. Must be expedited.
2	Traffic Control : GRT (speeding & dangerous intersections)	None (most are Provincial competency).
3	MR605 : NB (last section of road up to Sam's Drift must be tarred. The bridge on bend at De Toren is deteriorating; structural safety is a concern.)	Provincial competency. Only grading of gravel surface was done; tarring of last section still to be completed. Bridge has not received any attention.
4	Waste Management : GRT (address illegal dumping on river banks and other areas)	No visible progress. Law enforcement is required.
WARD 3 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	RDP Housing (rezoning and formal development of Riemvasmaak; electrification)	None - Provincial competency.
2	Multi-purpose Centre (Community Hall, Clinic, Library, SPU desks, Care Centre, etc)	Provincial competency. Has gone out on tender. Site was allocated by Municipality (erf 3625).
3	Streets (surfacing/paving of gravel streets that carry high traffic volumes)	None.
4	RDP Housing (fallen and rectifications in Smartie Town & Geluksdal)	Provincial competency – no progress, no budget.
WARD 4 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	RDP Housing (Lower Umasizakhe : replace all mud houses with new units & indoor toilets)	Provincial competency – project has started.
2	Streets & Stormwater (Lower Umasizakhe : all gravel streets to be surfaced/paved)	There has been some progress and maintenance is taking place.
3	MPCC for Umasizakhe (to include Youth training & skills development facilities)	New priority. No progress as yet.
4	Waste Management : provision of refuse bins and bags for all households	Refuse is being removed by Municipality but no provision of bins or bags as yet.
WARD 5 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	Streets & Stormwater (surfacing/paving of identified streets, filling of potholes and urgent attention required at areas prone to flooding)	Work has started and maintenance is being carried out.
2	Clinic (New facility urgently required at site identified. Existing one must be closed)	No progress - Provincial competency.
3	Sewerage Network (blockages, overflowing in Mandela Park; to be upgraded)	Situation has been brought under control.
4	RDP Housing (housing delivery)	Provincial competency – no progress, no budget.



WARD 6 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	Land Release (unblock land in Eunice Kekana Village, Tjoksville & Chris Hani areas for housing, clinic, commercial & church sites)	Apparently there have been meetings but the Ward has not been informed about the specifics. They have not seen any progress.
2	Streets & Stormwater (stormwater systems to be upgraded, streets to be widened)	Work has started on the stormwater system.
3	RDP Housing (remove and replace asbestos roofs in Umasizakhe & Elite View)	Fallen houses project has started - Provincial competency.
4	Traffic calming measures (speedhumps required at crèche and Main Street)	No progress.
WARD 7 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	Streets & Stormwater : Aberdeen (surfacing/paving of all internal streets; priority to those indicated on map)	There has been some maintenance but not of good quality.
2	Cemetery : Aberdeen (construction of new cemetery to be expedited and existing to be repaired & maintained)	No progress. Situation is critical.
3	Public Toilets : Aberdeen (to be upgraded and maintained)	No progress.
4	Traffic calming measures : Aberdeen (speedhumps and other traffic control measures - as indicated on map)	R338 no progress - a Provincial competency. Speedhumps are required on internal (Municipal) roads.
WARD 8 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	Bulk water supply to Willowmore (via Wanhoop)	Funding was made available by OTP and contractor has been appointed.
2	RDP Housing <ul style="list-style-type: none"> <li>Willowmore (new housing for Vondeling)</li> <li>Rietbron (40 houses built - identification of beneficiaries)</li> <li>Baviaanskloof (for people living in mud dwellings)</li> </ul>	Provincial competency. Talks are underway but clarity is required on certain aspects.
3	Electricity in Vondeling & Baviaanskloof	No progress - Dept of Energy competency.
4	Connection of houses in Willowmore town to main sewerage line (removal of septic tanks)	No progress.
WARD 9 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	Streets & Stormwater (new, fix, maintain, pave or tar all gravel streets, maintenance of all manholes)	Some work has been done and maintenance is being carried out. More funding is required to complete all areas.
2	Cemetery : existing one to be expanded	New priority; no progress as yet.
3	Sidewalks along Noord- & East Street (Willowmore)	No progress.
4	Lighting in dark areas (High mast & flood lights)	Street lights have been repaired but high mast lights must still be installed.
WARD 10 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		
No.	Priority Name and Detail	Progress During Year 0
1	Water Purification Plant	RBIG funded project to commence in 2018/19.
2	Provincial Road R338 (to be tarred)	No progress - Provincial competency.
3	Railway Line (revitalisation)	No progress - Transnet competency.
4	ATM/Mobile Bank (to be positioned close to Police Station)	No progress - Private sector.
WARD 11 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)		

No.	Priority Name and Detail	Progress During Year 0
1	RDP Housing (new development next to Klipplaat Rd to address backlog)	No progress - Provincial competency.
2	Bulk Water Supply (pipeline between Klipfontein & Jansenville, and water quality)	RBIG project has commenced, but there is concern over Klipplaat water source.
3	Sidewalks (to be constructed along gravel streets, where indicated on map)	Some areas have been completed and the rest will receive attention during Phase 2.
4	Hospital / Clinics (to be upgraded and better staffed)	Work is underway - Provincial competency. Phase 2 still to commence.
<b>WARD 12 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)</b>		
No.	Priority Name and Detail	Progress During Year 0
1	RDP Housing (next to Daleview & Bosman Streets)	No progress - Provincial competency. EIA issue must be investigated and clarified.
2	RDP Housing (approved project at Waterford to be implemented)	No progress - Provincial competency.
3	Electricity (provision at Waterford)	Negotiations are underway with Eskom.
4	School/s (more teachers to be appointed)	Has received attention, but issue of absent teachers must be addressed. Prov. competency.
<b>WARD 13 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)</b>		
No.	Priority Name and Detail	Progress During Year 0
1	Streets & Stormwater (new, fix, maintain, pave or tar all gravel streets, new signage)	Some work was done and maintenance is being carried out. Rest of project must be completed.
2	High-mast lights & flood lights in dark areas	Most areas have been addressed but high mast lights are still required in some areas.
3	Upgrading of Vuyolwethu hall (Steytlerville)	No progress. The facility requires urgent attention.
4	RDP Housing (housing backlog must be addressed urgently) & rectification	No progress - Provincial competency.
<b>WARD 14 : Top Four Service Delivery Priorities for Ward (Highest Priority First, as per new IDP)</b>		
No.	Priority Name and Detail	Progress During Year 0
1	RDP Housing (housing delivery must be expedited to address critical need)	No progress - Provincial competency.
2	Streets (surfacing/paving of gravel streets with priority to those indicated on map)	Some areas were attended to but there are other critical areas that still need to be addressed.
3	Stormwater (address areas prone to flooding as indicated on map)	Some work was done. Stormwater project in Wards 4 - 6 must be extended to include W.14.
4	Mobile Library (to address urgent need for such a facility in the Ward)	No progress - Provincial competency.

TF.3



## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR-0 (2017/18)

DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS 2017/18	RECOMMENDATIONS ADOPTED (Y or N)
18 September 2017	<p>(a) That AC notes the progress in IA reporting and the functioning of the IA despite the absence of the risk assessment;</p> <p>(b) That Performance Management System review to be done quarterly;</p> <p>(c) That in principle AC approve the draft 3 year plan subject to changes after the risk assessment completed,</p> <p>(d) That the MM gave undertaking and commitment to improve relationship between management and IA;</p> <p>(e) That the AC will assume responsibility for certain functions regarding the IA meetings;</p> <p>(f) That the last page of IA charter to be signed by the MM and the Chairperson subject to the following minor additions;</p> <ul style="list-style-type: none"> <li>• <i>That certain functions due to capacity constraints might be co-sourced from time to time</i></li> <li>• <i>Highlight the risk assessment process &amp; management support; and</i></li> </ul> <p>(g) That the last page of AC charter to be signed by the MM and the Chairperson subject to the changing of the logo.</p>	Y
18 September 2017	<p>(a) That it be noted that all the challenges/problems highlighted in the report are recurring;</p> <p>(b) That AC rated the outcomes as inadequate and a summary of findings were highlighted by IA; and</p> <p>(c) That the MM gave undertaking and commitment to improve</p>	Y

	relationship between management and IA;	
18 September 2017	(a) That a full spectrum of revenue enhancement approach review be done; and (b) That appointed service providers to be monitored to ensure that they stick to the contract.	Y
18 September 2017	(a) That the Municipality to accept the opinion of AG and devise new strategies in place for the coming year; (b) That management to compile a revised audit budget; and (c) That the discrepancies in the AFS on the former Municipalities be provided by the service providers and to supply the Municipality and AC members with a full report on challenges they experienced with the audit.	Y
18 September 2017	(a) That the report be noted and accepted; (b) That the bad debts be investigated and a full report be submitted with findings to Council.	Y
18 September 2017	That management to develop a Dashboard and submit to Audit Committee at the next meeting.	Y
7 February 2018	(a) That the mSCOA report be made available at the next meeting; and (b) That the dashboard report be made available at the next meeting.	Y
7 February 2018	(a) That the AC takes note of the progress made by IA; (b) That AC raised a concern with regards to the risk assessment not performed; and (c) That the AC work plan to be updated and circulated before the next meeting.	Y
7 February 2018		Y

	<ul style="list-style-type: none"> <li>(a) That the Chairperson thanked CFO for a comprehensive report highlighting all the concerns;</li> <li>(b) That the depreciation amount per month be indicated in the report;</li> <li>(c) That a proper maintenance plan to be in place;</li> <li>(d) That a bad debt and a cutting of services policy be developed; and</li> <li>(e) That the financial recovery plan be updated.</li> </ul>	
7 February 2018	<ul style="list-style-type: none"> <li>(a) That the Audit Committee takes note of the Audit Action Plan for 2016/17; and</li> <li>(b) That quarterly report be submitted to the Audit Committee on progress made on the audit implementation plan.</li> </ul>	Y
28 March 2018	<ul style="list-style-type: none"> <li>(a) That CAE will discuss the dashboard contents with the Municipal Manager and draw up a page template as an example;</li> <li>(b) That flyers be distributed to the communities in three different languages explaining the Indigent Grant (Free Basic Service);</li> <li>(c) That it be noted that the bad debt and cutting of service policy will be tabled for approval to Council with the budget; and</li> <li>(d) That AC to take note that the Financial Recovery Plan was revised in December 2017 and approved by Council and quarterly reports to be submitted to Council on implementation.</li> </ul>	Y

28 March 2018	<p>(a) That the AC takes note of the report and highlighted the fact that some of the IA reports were not submitted as resolved; and</p> <p>(b) That IA to be supplied with a list of all reports not completed, when the draft report was issued to management - work in progress on reports.</p>	Y
28 March 2018	<p>(a) That AC take note of the Section 71 Report for February 2018;</p> <p>(b) That the CFO to follow up on the correspondence sent to National Treasury with regards to the R12 million withheld; and</p> <p>(c) That water and electricity audit to be done to curb water and electricity losses and non-billing of accounts.</p>	Y
28 March 2018	<p>(a) That the Audit Committee takes note of the Audit Action Plan for 2016/17; and</p> <p>(b) That Quarterly Report be submitted to the Audit Committee on progress made on the Audit Implementation Plan.</p>	Y
28 March 2018	The Chairperson to be invited to the municipal performance review sessions.	Y
21 June 2018	<p>(a) That it be noted that IA plan was not risk based and some audits were not performed according to the plan;</p> <p>(b) That the IT Steering Committee to be established;</p> <p>(c) That the minutes of the Steering Committee be referred to the Audit Committee; and</p> <p>(d) That a copy of the ICT Assessment Report be made available to the Chairperson.</p>	Y

21 June 2018	<p>(a) That the content of the report be noted as weak;</p> <p>(b) That each directorate to appoint a champion that deals with co-ordination of S &amp; T; and</p> <p>(c) That the CFO to submit a report on equalisation to AC.</p>	
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## APPENDIX H – LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS

[illegible][illegible]

APPENDIX I - MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE  
SCHEDULE

[illegible]

## APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST



## Disclosure of financial interests Period 1 July 2017 to 30 June 2018 (current year)

POSITION	NAME	DESCRIPTION OF FINANCIAL INTEREST
MAYOR	Deon Wesley Sam De Vos	Declared that there were no financial interest
SPEAKER	Thembisa Lettar Nonnies	Declared that there were no financial interest
COUNCILLOR	Samantha Jane Graham	Shares and securities in company; interest in property; Directorship
COUNCILLOR	Eldrige Ashvon Ruiters	Declared that there were no financial interest
COUNCILLOR	Glenda Christina Mackelina	Declared that there were no financial interest
COUNCILLOR	Pieter William Koeberg	Interest in trust
COUNCILLOR	Angeline Booysen	Declared that there were no financial interest
COUNCILLOR	Daniel Williams	Declared that there were no financial interest
COUNCILLOR	Notizi Vanda	Declared that there were no financial interest
COUNCILLOR	Wilton Zayne Le Grange	Declared that there were no financial interest
COUNCILLOR	Asanda Mboneni	Shares and securities in company; membership in close corporation
COUNCILLOR	Eldan Adley Carolus	Pension fund income
COUNCILLOR	Hendrik Booysen	Declared that there were no financial interest
COUNCILLOR	Bradley Wayne Seekoei	Declared that there were no financial interest
COUNCILLOR	Willem Jacobus Safers	Declared that there were no financial interest
COUNCILLOR	Linda Michele Botha	Directorship; interest in trust; other financial interest in business
COUNCILLOR	Katie Hoffman	Declared that there were no financial interest
COUNCILLOR	Xolile Nzimkulu Galada	membership of close corporation; other financial interest in business undertaking
COUNCILLOR	Thembile Michael Tshona	Declared that there were no financial interest
COUNCILLOR	Rudy Boyce Jacobs	Declared that there were no financial interest

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COUNCILLOR	Ewald Laurens Look	Other financial interest in business undertaking
COUNCILLOR	Piet Bees	shares and securities in company
COUNCILLOR	Louis Leonard Langeveldt	Declared that there were no financial interest
COUNCILLOR	Abraham Arries	Declared that there were no financial interest
COUNCILLOR	Daniel Johannes Bezuidenhout	Declared that there were no financial interest
COUNCILLOR	Errol Vernon Ruben Rossouw	membership of close corporation
COUNCILLOR	Joy Juanita Williams	Declared that there were no financial interest
MUNICIPAL MANAGER	Edward Martin Rankwana	Interest in property; subsidies, grants or sponsorships
CHIEF FINANCIAL OFFICER	Heleen Elsa Kok	Declared that there were no financial interest
DIRECTOR PLANNING AND ENGINEERING	W.I. Berrington	Interest in trust; interest in property
DIRECTOR COMMUNITY SERVICES	Sizwe Lochore Mvunelwa	Declared that there were no financial interest
CHIEF OPERATIONS OFFICER	Hans Hendricks	Interest in property
ASST DIRECTOR PLANNING AND ENGINEERING	Benjamin Arends	Interest in property; subsidies, grants or sponsorships
MANAGER CORPORATE SERVICES	Zoleka Viola Kali	Interest in property

# Appendices

## APPENDIX K – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i) – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote Description	Year -1	Current: Year 0			R	
	Actual	Original Budget	Adjusted Budget	Actual	Year 0 Variance	
					Original Budget	Adjustments Budget
Vote 1 - EXECUTIVE & COUNCIL	25 030 319	15 129 008	12 975 318	12 221 647	-19%	-6%
Vote 2 - CORPORATE SERVICES - ADMINISTRATION	2 796 871	660 505	3 100 051	3 166 864	379%	2%
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES	5 483 880	12 282 042	16 378 015	17 191 191	40%	5%
Vote 4 - CORPORATE SERVICES - PROTECTION	5 732 004	10 534 859	5 874 436	4 175 271	-60%	-29%
Vote 5 - FINANCIAL SERVICES	115 319 421	138 346 694	136 062 517	140 266 375	1%	3%
Vote 6 - TECHNICAL SERVICES - ENGINEERING	87 041 117	98 794 537	111 858 369	87 469 240	-11%	-22%
Vote 7 - TECHNICAL SERVICES - ELECTRICAL	89 037 100	105 933 902	113 012 549	111 772 770	6%	-1%
Example 8 - Vote 8	0	0	0	0		
Example 9 - Vote 9	0	0	0	0		
Example 10 - Vote 10	0	0	0	0		
Example 11 - Vote 11	0	0	0	0		
Example 12 - Vote 12	0	0	0	0		
Example 13 - Vote 13	0	0	0	0		
Example 14 - Vote 14	0	0	0	0		
Example 15 - Vote 15	0	0	0	0		
Total Revenue by Vote	338 440 712	381 661 547	399 259 235	378 263 458	3	0

Variances are calculated by dividing the difference between actual and original/adjusted budget by the actual. This table is aligned to MBRR table A3

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## APPENDIX K (ii) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	21 628	43 595	39 445	31 809	-27%	-18%
Service Charges - electricity revenue	86 523	92 108	97 672	99 168	8%	2%
Service Charges - water revenue	24 280	30 538	29 304	26 590	-13%	-8%
Service Charges - sanitation revenue	3 116	14 866	15 409	15 680	5%	2%
Service Charges - refuse revenue	3 176	8 689	11 680	12 262	38%	5%
Service Charges - other	867	888	1 015	204	-77%	-80%
Rentals of facilities and equipment	592	1 074	783	788	-27%	1%
Interest earned - external investments	1 696	1 377	2 339	1 919	39%	-18%
Interest earned - outstanding debtors	5 859	1 867	2 768	9 550	412%	245%
Dividends received	-	-	-	-	-	-
Fines	77	100	72	79	-21%	10%
Licences and permits	4 125	5 972	1 416	866	-86%	-39%
Agency services	329	334	2 530	671	101%	-73%
Transfers recognised - operational	104 124	107 439	113 919	115 191	7%	1%
Other revenue	691	1 284	1 188	3 119	143%	182%
Gains on disposal of PPE	3 550	6 593	6 593	3 370	-49%	-49%
Environmental Protection	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	269 630	318 821	326 134	321 267	1%	-1%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

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## APPENDIX L - CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)

Appendix L: Conditional grants Received (Excluding MIG)					
Details	Year 0			R '000	
	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments to Budget
Local Government Equitable Share	77 494	77 494	77 494	0%	0%
Finance Management	5 620	5 945	5 945	8%	0%
Energy Efficiency and Demand Management	2 339	-	-	-100%	-
EPWP Incentive	1 383	1 383	1 383	0%	0%
Demarcation grant (National)	2 339	-	-	-100%	-
Amalgamation	10 847	6 847	6 847	-37%	0%
Finance Management support	-	4 000	4 000	-	0%
Library	-	1 085	1 085	-	0%
Economic development and Environmental Affairs	-	2 258	2 258	-	0%
Eskom assistance grant	2 554	2 554	2 554	0%	0%
Dept of Public Service & Administration	-	3 721	3 721	-	0%
Dept of Human Settlements	-	4 500	1 476	-	-67%
Special day events - various gov depts	-	94	293	-	213%
Fire - DM	2 686	301	-	-100%	-100%
LED - DM	-	1 850	925	-	-50%
Environmental Health - DM	150	200	200	33%	0%
SMME development - DM	-	1 208	1 208	-	0%
SETA	-	100	-	-	-100%
IDC	-	280	345	-	23%
Regional Bulk Infrastructure	-	100	-	-	-100%
INEP Grant	32 000	25 710	16 892	-48%	-35%
Cacadu Fire Grant	1 810	-	-	-100%	-
Drought relief	7 000	7 000	7 000	0%	0%
AG 1% Grant	4 094	(0)	-	-100%	-100%
Total Revenue (excluding capital transfers and contributions)	149 915	147 887	140 583	-6%	-6%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustment budget. This table is aligned to MBRR table A4.

TK2

### COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The main infrastructure grants received during the 2017/18 financial year (excluding MIG) was the Integrated National Electrification Grant (INEP) which was used for upgrading of overhead powerlines and mv switch gears; Regional bulk Infrastructure grant (RBIG) which was used for construction of steel reservoir and pipelines as well as refurbishment of boreholes. The municipality received R6 700 000 from National Treasury as refund on audit cost that exceeded the 1% of expenditure. Dr Beyers Naudé also received R3.7 million from COGTA for assistance with Eskom account. All conditions of grants were met and grants spent in terms of approved business plans.



## APPENDIX M – CAPITAL EXPENDITURE : NEW AND UPGRADE / RENEWAL PROGRAMMES)

### APPENDIX M (i) – CAPITAL EXPENDITURE (NEW ASSETS PROGRAMME)

APPENDIX M(i) - CAPITAL EXPENDITURE - NEW ASSET PROGRAMME						
Description	Year -1	Year 0			Planned Capital Expenditure	
	Actual	Original Budget	Adjusted Budget	Actual Expenditure	FY +1	FY +2
<b>R thousands</b>						
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>						
<b>Infrastructure</b>	<b>61 436</b>	<b>59 187</b>	<b>762</b>	<b>562</b>	<b>54 981</b>	<b>16 680</b>
Roads Infrastructure	31 606	320	-	-	339	358
Roads	31 606	320	-	-	339	358
Road Structures	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
Storm water Infrastructure	-	2 000	-	-	-	-
Drainage Collection	-	2 000	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-
Electrical Infrastructure	2 620	7 300	336	-	7 317	10 335
Power Plants	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-
HV Transmission Conductors	-	300	336	-	317	335
MV Substations	-	-	-	-	-	-
MV Switching Stations	2 620	7 000	-	-	7 000	10 000
MV Networks	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
Water Supply Infrastructure	2 364	43 306	-	-	39 849	19 003
Dams and Weirs	-	-	-	-	-	-
Boreholes	-	27 132	-	-	32 450	11 190
Reservoirs	-	9 174	-	-	-	-
Pump Stations	-	5 000	-	-	5 285	5 581
Water Treatment Works	-	-	-	-	-	-
Bulk Mains	-	-	-	-	-	-
Distribution	2 364	2 000	-	-	2 114	2 232
Distribution Points	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
Sanitation Infrastructure	23 367	6 231	-	-	6 586	6 954
Pump Station	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-
Waste Water Treatment Works	23 367	6 231	-	-	6 586	6 954
Outfall Sewers	-	-	-	-	-	-
Toilet Facilities	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-



## APPENDIX M(1) - CAPITAL EXPENDITURE - NEW ASSET PROGRAMME

Description	Year -1	Year 0			Planned Capital Expenditure	
	Actual	Original Budget	Adjusted Budget	Actual Expenditure	FY +1	FY +2
<b>Solid Waste Infrastructure</b>						
Landfill Sites	1 479	-	426	592	-	-
Waste Transfer Stations	1 479	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-
Electricity Generation Facilities	-	-	426	592	-	-
Capital Spares	-	-	-	-	-	-
<b>Rail Infrastructure</b>						
Rail Lines	-	-	-	-	-	-
Rail Structures	-	-	-	-	-	-
Rail Furniture	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
<b>Coastal Infrastructure</b>						
Sand Pumps	-	-	-	-	-	-
Piers	-	-	-	-	-	-
Revetments	-	-	-	-	-	-
Promenades	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
<b>Information and Communication Infrastructure</b>						
Data Centres	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
<b>Community Assets</b>						
Community Facilities	198	4 094	1 847	1 179	-	-
Halls	-	4 094	-	-	-	-
Centres	-	-	-	-	-	-
Clinics	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-
Testing Stations	-	4 094	-	-	-	-
Museums	-	-	-	-	-	-
Galleries	-	-	-	-	-	-
Theatres	-	-	-	-	-	-
Libraries	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-
Police	-	-	-	-	-	-
Parks	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-
Markets	-	-	-	-	-	-
Stalls	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-
Airports	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-

## APPENDIX M(i) - CAPITAL EXPENDITURE - NEW ASSET PROGRAMME

Description	Year -1	Year 0			Planned Capital Expenditure	
	Actual	Original Budget	Adjusted Budget	Actual Expenditure	FY +1	FY +2
<b>Heritage assets</b>						
Monuments	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-
<b>Investment properties</b>						
Revenue Generating	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-
<b>Other assets</b>						
Operational Buildings	150	-	-	-	-	-
Municipal Offices	150	-	-	-	-	-
Pay/Enquiry Points	150	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-
Workshops	-	-	-	-	-	-
Yards	-	-	-	-	-	-
Stores	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-
Depots	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>						
Biological or Cultivated Assets	-	-	-	-	-	-
<b>Intangible Assets</b>						
Services	49	-	360	-	-	-
Licences and Rights	-	-	-	-	-	-
Water Rights	49	-	360	-	-	-
Effluent Licences	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-
Load Settlement Software Applications	49	-	360	-	-	-
Unspecified	-	-	-	-	-	-

APPENDIX M(i) - CAPITAL EXPENDITURE - NEW ASSET PROGRAMME						
Description	Year -1	Year 0			Planned Capital Expenditure	
	Actual	Original Budget	Adjusted Budget	Actual Expenditure	FY +1	FY +2
<b>Computer Equipment</b>	287	620	1 661	503	655	692
Computer Equipment	287	620	1 661	503	655	692
<b>Furniture and Office Equipment</b>	343	200	301	86	941	993
Furniture and Office Equipment	343	200	301	86	941	993
<b>Machinery and Equipment</b>	42	290	223	-	95	101
Machinery and Equipment	42	290	223	-	95	101
<b>Transport Assets</b>	-	400	2 100	418	518	547
Transport Assets	-	400	2 100	418	518	547
<b>Libraries</b>	-	-	-	-	-	-
Libraries	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets to be adjusted</b>	<b>62 488</b>	<b>64 760</b>	<b>6 954</b>	<b>2 778</b>	<b>56 308</b>	<b>58 964</b>

## APPENDIX M (ii) – CAPITAL EXPENDITURE (NEW AND UPGRADE / RENEWAL PROGRAMMES)

APPENDIX M(ii) - CAPITAL EXPENDITURE - UPGRADE/RENEWAL ASSET PROGRAMME						
Description	Year +1	Year 0		Planned Capital		
	Actual Expenditure	Original Budget	Adjusted Budget	Actual expenditure	FY +1	FY +2
<b>R thousands</b>						
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>						
<b>Infrastructure</b>			65 325	48 650	-	-
<b>Roads Infrastructure</b>			14			
Roads			14	4 518		
Road Structures			-			
Road Furniture			-			
Capital Spares			-			
<b>Storm water Infrastructure</b>			12 647	8 775	-	-
Drainage Collection			-			
Storm water Conveyance			12 647	8 775		
Attenuation			-			
<b>Electrical Infrastructure</b>			10 881	11 085	-	-
Power Plants			-			
HV Substations			-			
HV Switching Station			7 000	7 000		
HV Transmission Conductors			-			
MV Substations			-			
MV Switching Stations			-			
MV Networks			3 881	4 085		
LV Networks			-			
Capital Spares			-			
<b>Water Supply Infrastructure</b>			34 785	20 985	-	-
Dams and Weirs			-			
Boreholes			3 709	14 308		
Reservoirs			-			
Pump Stations			-			
Water Treatment Works			5 684	122		
Rain Water			28 386			
Distribution			-	6 558		
Distribution Points			-			
PRV Stations			-			
Capital Spares			-			
<b>Sewerage Infrastructure</b>			309	-	-	-
Pump Station			-			
Refiltration			309			
Waste Water Treatment Works			-			
Outfall Sewers			-			
Toilet Facilities			-			
Capital Spares			-			
<b>Solid Waste Infrastructure</b>			6 738	5 205	-	-
Landfill Sites			6 738	5 205		
Waste Transfer Stations			-			
Waste Processing Facilities			-			
Waste Drop-off Points			-			
Waste Separation Facilities			-			
Electricity Generation Facilities			-			
Capital Spares			-			
<b>Rail Infrastructure</b>			-		-	-
Rail Lines			-			
Rail Structures			-			
Rail Furniture			-			
Drainage Collection			-			
Storm water Conveyance			-			
Attenuation			-			
MV Substations			-			
LV Networks			-			
Capital Spares			-			

APPENDIX M(II) - CAPITAL EXPENDITURE - UPGRADE/RENEWAL ASSET PROGRAMME						
Description	Year 1	Year 2		Planned Capital		
	Actual Expenditure	Original Budget	Adjusted Budget	Actual expenditure	FY +1	FY +2
R thousands						
<b>Coastal Infrastructure</b>	-	-	-	-	-	-
Sand Pumps	-	-	-	-	-	-
Piers	-	-	-	-	-	-
Revetments	-	-	-	-	-	-
Promenades	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
<b>Information and Communication Infrastructure</b>	-	-	-	-	-	-
Data Centres	-	-	-	-	-	-
Cable Layout	-	-	-	-	-	-
Distribution Layout	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
<b>Community Assets</b>	-	-	368	-	-	-
<b>Community Facilities</b>	-	-	-	-	-	-
Halls	-	-	-	-	-	-
Centres	-	-	-	-	-	-
Crèches	-	-	-	-	-	-
Clinical/Care Centres	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-
Museums	-	-	-	-	-	-
Galleries	-	-	-	-	-	-
Theatres	-	-	-	-	-	-
Libraries	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-
Police	-	-	-	-	-	-
Parks	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-
Markets	-	-	-	-	-	-
Stalls	-	-	-	-	-	-
Ablutions	-	-	-	-	-	-
Airports	-	-	-	-	-	-
Taxi Rank/Bus Terminals	-	-	-	-	-	-
Capital Spares	-	-	368	-	-	-
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-
Indoor Facilities	-	-	368	-	-	-
Outdoor Facilities	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-
Monuments	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	112	-	-
<b>Operational Buildings</b>	-	-	-	112	-	-
Municipal Offices	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-
Workshops	-	-	-	-	-	-
Yards	-	-	-	-	-	-
Stores	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-
Depots	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
<b>Housing</b>	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-

APPENDIX M(II) - CAPITAL EXPENDITURE - UPGRADE/RENEWAL ASSET PROGRAMME						
Description	Year -1	Year 0		Actual expenditure	Planned Capital	
	Actual Expenditure	Original Budget	Adjusted Budget		FY +1	FY +2
<b>R thousands</b>						
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-
Land Settlement Software Applications	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-
Libraries	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets to be adjusted</b>	-	-	65 693	46 163	-	-



## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR-0 (2017/18)

Capital Programme by Project: Year 0					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
"Project C"	85	90	95	5%	11%
<b>Sanitation/Sewerage</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Electricity</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Housing</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Refuse removal</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Stormwater</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Economic development</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Sports, Arts &amp; Culture</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Environment</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Health</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Safety and Security</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>ICT and Other</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
					T N

## APPENDIX 0 – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR-0

Capital Programme by Project by Ward: Year 0			R' 000
Capital Project	Ward(s) affected	Works completed	(Yr 0000)
<b>Water</b>			
Project A	SEE SDBIP OF 2017/18 AS ATTACHED		
Project B			
<b>Sewerage/Sanitation</b>			
<b>Electricity</b>			
<b>Highways</b>			
<b>Rubbish removal</b>			
<b>Stormwater</b>			
<b>Economic development</b>			
<b>Sports, Arts &amp; Culture</b>			
<b>Environment</b>			
<b>Health</b>			
<b>Safety and Security</b>			
<b>ICT and Other</b>			
			<b>TO</b>

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sewerage	Electricity	Solid Waste Collection
<b>Schools (NAMES, LOCATIONS)</b>				
<b>NOT APPLICABLE</b>				
<b>Clinics (NAMES, LOCATIONS)</b>				
<b>NOT APPLICABLE</b>				
<i>Names and locations of schools and clinics lacking one or more services. Use 'X' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper handling of the establishment concerned.</i>				<b>TP</b>

APPENDIX Q - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlog:	Impact of backlog
<b>Clinics:</b>		
<b>Housing:</b>		
<b>Licensing and Testing Centre:</b>		
<b>Recreation</b>		
<b>Schools (Primary and High):</b>		
<b>Sports Fields:</b>		

APPENDIX R - DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Dr Beyers Naudé Municipality only made the following donations/grants during the 2017/18 financial year:

[illegible]

## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output Improving access to basic services		
Output Implementation of the Community Work Programme		
Output Deepen democracy through a refined Ward Committee model		
Output Administrative and financial capability		
<i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i>		
		T.S.



## VOLUME II – ANNEXURES

### ANNEXURE 1 – ANNUAL FINANCIAL STATEMENTS FOR 2017/18

The 2017/18 AFS are attached hereto.

### ANNEXURE 2 – ANNUAL PERFORMANCE REPORT

The 2017/18 APR is attached hereto.

### ANNEXURE 3 – AUDITOR-GENERAL REPORT

The 2017/18 AG Report is attached hereto.

### ANNEXURE 4 – AUDIT ACTION PLAN

The 2018/19 Audit Action Plan (in response to 2017/18 Audit Outcome) is attached hereto.

# **Dr Beyers Naude Local Municipality**

## **Audit Report**

For the year ended 30 June 2018

# **Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Dr Beyers Naude Local Municipality**

## **Report on the audit of the financial statements**

### **Disclaimer of opinion**

1. I was engaged to audit the financial statements of the Dr Beyers Naude Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the municipality. Due to the significance of the matter described in the basis for disclaimer of opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for disclaimer of opinion**

#### **Limitations on the financial statements**

3. I was unable to obtain sufficient appropriate audit evidence regarding the financial statements as a whole, as the financial statements were presented for audit purposes without accurate and complete underlying accounting records. I was unable to audit the financial statements by alternative means. Consequently, I was unable to determine whether any adjustments relating to the financial statements as a whole were necessary.

### **Other matters**

4. I draw attention to the matters below:

#### **Withdrawal from the audit engagement**

5. Due to the limitation imposed on the scope of the audit by management, I have disclaimed my opinion on the financial statements. Were it not for the legislated requirement to perform the audit of the municipality, I would have withdrawn from the engagement in terms of the International Standards on Auditing (ISAs).

#### **Unaudited disclosure notes**

6. In terms of section 125(2)(e) of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the municipality is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

#### **Unaudited supplementary information**

7. The supplementary information set out on pages x to x does not form part of the annual financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

### **Responsibilities of the accounting officer for the financial statements**

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the MFMA and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

<b>Report on the audit of the annual performance report</b>
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### **Introduction and scope**

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to raise findings but not to gather evidence to express assurance.

13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. 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 annual performance report of the municipality for the year ended 30 June 2018:

Objectives	Pages in the annual performance report
KPA 2 – basic service delivery and infrastructure development	x – x
KPA 3 – local economic development	x – x

15. 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.

16. I did not raise material findings on the usefulness and reliability of KPA 2 – basic service delivery and infrastructure development, and KPA 3 – local economic development.

#### Other matters

17. I draw attention to the matters below.

##### Achievement of planned targets

18. Refer to the annual performance report on pages x to x and x to x for information on the achievement of planned targets for the year and explanations provided for the underachievement of a number of targets.

##### Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2 – basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## Report on the audit of compliance with legislation

### Introduction and scope

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

21. The material findings on compliance with specific matters in key legislation are as follows:

#### Annual financial statements and annual report

22. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Supporting records that could not be provided resulted in the financial statements receiving a disclaimer of audit opinion.

#### Strategic planning and performance management

23. The integrated development plan did not reflect financial plans, as required by section 26(h) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) and municipal planning and performance management regulation 2(3)(a).

24. The service delivery and budget implementation plan for the year did not include the monthly operational and capital expenditure by vote, as required by section 1 of the MFMA.

#### Expenditure management

25. I was unable to obtain sufficient appropriate audit evidence that money owed by the municipality had always been paid within 30 days, as required by section 65(2)(e) of the MFMA.

26. I was unable to obtain sufficient appropriate audit evidence that payments from the municipality's bank account were approved by the accounting officer, as required by section 11(1) of the MFMA.

27. Reasonable steps were not taken to ensure that the municipality implemented and maintained an effective system of expenditure control, including procedures for the approval of funds, as required by section 65(2)(a) of the MFMA. An adequate management accounting and information system was not in place, which recognised expenditure when it was incurred as well as creditors, as required by section 65(2)(b) of the MFMA.

28. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified, as indicated in the basis for disclaimer paragraph.

29. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the fruitless and wasteful expenditure could not be quantified, as indicated in the basis for disclaimer paragraph.

30. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the unauthorised expenditure could not be quantified, as indicated in the basis for disclaimer paragraph.



#### Revenue management

31. A tariff policy was not adopted for the levying of fees for the provision of municipal services, as required by section 74(1) of the MSA and section 62(1)(f)(i) of the MFMA.
32. A credit-control and debt-collection policy was not adopted, as required by section 96(b) of the MSA and section 62(1)(f)(iii) of the MFMA.
33. A policy on the levying of rates on rateable property within the municipality was not adopted, as required by section 3(1) of the Municipal Property Rates Act of South Africa, 2004 (Act No. 6 of 2004) and section 62(1)(f)(ii) of the MFMA.
34. An adequate management, accounting and information system was not in place to account for revenue, debtors and receipts of revenue, as required by section 64(2)(e) of the MFMA.
35. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
36. I was unable to obtain sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
37. I was unable to obtain sufficient appropriate audit evidence that accounts for municipal tax and charges for municipal services or service charges were prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.
38. I was unable to obtain sufficient appropriate audit evidence that interest had been charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

#### Conditional grants

39. Performance in respect of programmes funded by the municipal infrastructure grant was not evaluated, as required by section 12(5) of Dora.
40. I was unable to obtain sufficient appropriate audit evidence that the Municipal Infrastructure Grant was spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Division of Revenue Act (Act 3 of 2017).

#### Asset management

41. The municipality did not establish an investment policy that was adopted by the council, as required by section 13(2) of the MFMA.
42. I was unable to obtain sufficient appropriate audit evidence that all investments were made in accordance with the requirements of the investment policy, as there was no specific investment policy in place and the one policy that included a section about investments had not been approved by the council, as required by municipal investment regulation 3(3).

#### Liability management

43. An adequate management, accounting and information system was not in place to account for liabilities, as required by section 63(2)(a) of the MFMA.
44. An effective system of internal control for liabilities (including a liability register) was not in place, as required by section 63(2)(c) of the MFMA.
45. Short-term debt relating to the bank overdraft was incurred for reasons other than those allowed as per section 45(1) of the MFMA.

46. Short-term debt relating to the bank overdraft was incurred without a resolution of the municipal council approving the debt agreement, in contravention of section 45(2)(a) of the MFMA.
47. Short-term debt relating to the bank overdraft was not repaid within the financial year, as required by section 45(4) of the MFMA.

#### Consequence management

48. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
49. Losses resulting from unauthorised expenditure were not recovered from the liable person, as required by section 32(2)(a) of the MFMA.
50. The authorisation of unauthorised expenditure amounting to R17,1 million was not done through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA.
51. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
52. Losses resulting from irregular expenditure were not recovered from the liable person, as required by section 32(2) of the MFMA.
53. Cases of irregular expenditure that constituted a criminal offence were not reported to the South African Police Service, as required by section 32(6).
54. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
55. Losses resulting from fruitless and wasteful expenditure were not recovered from the liable person, as required by section 32(2)(b) of the MFMA.

#### Human resource management

56. I was unable to obtain sufficient appropriate audit evidence that the municipal manager disclosed financial interests within 60 days from the date of appointment, as required by regulation 36(1)(a) on the appointment and conditions of employment of senior managers.
57. I was unable to obtain sufficient appropriate audit evidence that senior managers disclosed financial interests within 60 days from the date of appointment, as required by regulation 36(1)(a) on the appointment and conditions of employment of senior managers.
58. I was unable to obtain sufficient appropriate audit evidence that senior managers previously dismissed for financial misconduct were only re-appointed after the expiry of a 10-year term, as required by section 57A(1) of the MSA.
59. An approved staff establishment was not in place, as required by section 66(1)(a) of the MSA.
60. I was unable to obtain sufficient appropriate audit evidence that appropriate systems and procedures to monitor, measure and evaluate the performance of staff were developed and adopted, as required by section 67(1)(d) of the MSA.

#### Procurement and contract management

61. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management (SCM) regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

62. Some quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
63. Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
64. Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the key project – 86/2017: the construction and refurbishment of stormwater infrastructure in Umasizakhe and Kroonvale residential areas.
65. Some contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
66. Some contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.
67. Bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by preferential procurement regulation 8(2) of 2017.
68. Some commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content, as required by the Preferential Procurement Regulations 8(5) of 2017.
69. Some commodities designated for local content and production were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by preferential procurement regulation 8(5) of 2017.
70. Awards were made to providers who were in the service of the municipality or whose directors were in the service of the municipality, in contravention of section 112(j) of the MFMA and SCM regulation 44. Furthermore, providers failed to declare that they were in the service of the municipality, as required by SCM regulation 13(c).
71. Sufficient information was not provided to confirm that awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44.
72. Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the MSA, or the code of conduct for staff members issued in terms of the MSA.
73. Persons in the service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the MSA, or the code of conduct for staff members issued in terms of the MSA.
74. SCM officials who, or other SCM role players whose close family members, partners or associates, had a private or business interest in contracts awarded by the municipality participated in the process relating to that contract, in contravention of SCM regulation 46(2)(f).

#### **Other information**

75. 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, mayor's foreword and executive summary, municipal manager overview. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
76. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
77. 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 objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
78. There were no material inconsistencies identified.

#### **Internal control deficiencies**

79. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the performance report and the findings on compliance with legislation included in this report.

- Leadership did not exercise oversight over financial, performance and compliance reporting, as the annual financial statements, annual report and compliance reporting were not adequately reviewed, which contributed to the material findings reported.

The municipality did not maintain a proper record management system for electronic records, or for the timely retrieval thereof, as evidenced by the fact that the annual financial statements were not supported by relevant schedules and supporting documentation. Furthermore, the general ledger and trial balance did not agree to the annual financial statements, and numerous instances of material non-compliance with legislation were identified.

- The audit committee did not review the annual financial statements and annual performance report in the current year, as it was submitted late for their review.
- The internal audit unit lacked the capacity required to effectively perform their duties, as they had limited time to review the annual financial statements.

*Auditor General*

East London

7 December 2018



AUDITOR GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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**STRATEGIC PLAN TO RESOLVE AUDIT FINDINGS  
DR BEYERS NAUDE`LOCAL MUNICIPALITY  
AUDIT REPORT 2017/18**

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#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
1.	Money owed by the municipality had not always been paid within 30 days	Expenditure Management	SCM Manager	Expenditure Accountant	Adequate Budget and cash flow monitoring	December 2018	Not achieved
2.	Payments from the municipality's bank account were not approved by the accounting officer	Expenditure Management	SCM Manager	Expenditure Accountant	No action required - Delegations were in place and provided to the AG. Sub-delegations for finance department also in place	Already in place	Achieved
3.	Steps were not taken to ensure that the municipality implemented and maintained an effective system of expenditure control	Expenditure Management	SCM Manager	Expenditure Accountant	Training on accrual basis of accounting especially on Payroll Matters affecting 3 <sup>rd</sup> parties	December 2018	Not achieved
4.	Steps were not taken to ensure that the municipality implemented and maintained effective procedures for the approval of funds	Expenditure Management	SCM Manager	Expenditure Accountant	No action required - Delegations were in place and provided to the AG. Sub-delegations for finance department also in place	Already in place	Achieved
5.	Adequate management accounting and information system was not in place which recognised expenditure when it was incurred as well as creditors.	Expenditure Management	SCM Manager	Expenditure Accountant	Training on accrual basis of accounting especially on Payroll Matters affecting 3 <sup>rd</sup> parties	December 2018	Not achieved
6.	Steps were not taken to prevent irregular expenditure	Expenditure Management	SCM Manager	Expenditure Accountant	Training on compliance requirements	January – March 2019	On going
7.	Steps were not taken to	Expenditure	SCM	Expenditure	Training on	January –	On going

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
	prevent fruitless and wasteful expenditure	Management	Manager	Accountant	identification/distinction of the fruitless expenditure and wasteful expenditure.	March 2019	
8.	Steps were not taken to prevent unauthorised expenditure	Expenditure Management	SCM Manager	Expenditure Accountant & Budget Manager	No action required - Virement application and locking of the budget votes.	Already in place	On going
9.	Tariff policy was not adopted	Revenue Management	Revenue Manager	Revenue Accountant	No action required - Tariff policy adopted for 2018/19 financial year	Already in place	Completed
10.	Credit-control and debt-collection policy was not adopted	Revenue Management	Revenue Manager	Revenue Accountant	No action required - Policy was adopted and provided to AG	Already in place	Completed
11.	Policy on the levying of rates on rateable property within the municipality was not adopted	Revenue Management	Revenue Manager	Revenue Accountant	No action required - Approved policies of former municipalities are still in place - this is in line with Sec 12 notice. This was provided to AG	Already in place	Completed
12.	Adequate management, accounting and information system was not in place to account for revenue, debtors and receipts of revenue	Revenue Management	Revenue Manager	Revenue Accountant	No Action required - The findings related to journals done on revenue and traffic fines. All information was submitted to AG except for traffic fines. AG was requested to inspect the documents at traffic department due to the volume. Schedules were	Already in place	Completed

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
					provided to AG. A Technical consult was requested on the journals – no outcome communicated to management		
13.	Effective system of internal control for debtors and revenue was not in place	Revenue Management	Revenue Manager	Revenue Accountant	No action required - Disagreement between management and auditors on some journals passed exists. Technical consult was requested on journals – no formal outcome received by management	Already in place	Completed
14.	No sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis	Revenue Management	Revenue Manager	Revenue Accountant	No finding was raised by AG. Billing was done on monthly basis	Already in place	Completed
15.	No sufficient appropriate audit evidence that accounts for municipal tax and charges for municipal services or service charges were prepared on a monthly basis	Revenue Management	Revenue Manager	Revenue Accountant	No finding was raised by AG. Billing was done on monthly basis	Already in place	Completed
16.	No sufficient appropriate audit evidence that interest had been charged on all accounts in arrears	Revenue Management	Revenue Manager	Revenue Accountant	No finding was raised by AG. Interest was raised on monthly basis	Already in place	Completed
17.	Performance in respect of programmes funded by the municipal infrastructure grant	MIG/Conditional Grants	Technical Manager	Project Management Unit	Record all performance evaluation conducted with supporting	January 2019 on wards	On going

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
	was not evaluated				evidence (files)		
18.	Sufficient appropriate audit evidence that the Municipal Infrastructure Grant was spent for its intended purposes	MIG/Conditional Grants	Technical Manager	Project Management Unit	No action required – this relates to journals done on MIG – evidence were provided to AG. Schedules provided had a difference of R66 – Immaterial	Already in place	Completed
19.	The municipality did not establish an investment policy that was adopted by the council	Asset Management	Accounting Officer (MM)	Chief Financial Officer	No action required – Investment policy in place for 2018/19	Already in place	Completed
20.	No sufficient appropriate audit evidence that all investments were made in accordance with the requirements of the investment policy	Asset Management	Accounting Officer (MM)	Chief Financial Officer	Accurately record all investments according to the approved investment policy	January 2019 onwards	Not achieved
21.	An adequate management, accounting and information system was not in place to account for liabilities	Liability Management	SCM Manager	Expenditure Accountant	Training on accrual basis of accounting especially on Payroll Matters affecting 3 <sup>rd</sup> parties	January 2019 on ward	On going
22.	An effective system of internal control for liabilities (including a liability register) was not in place	Liability Management	SCM Manager	Expenditure Accountant/Legal Department/Corporate Services	Training on accrual basis of accounting especially on Payroll Matters affecting 3 <sup>rd</sup> parties	January 2019 on wards	On going
23.	Short-term debt relating to the bank overdraft was incurred for reasons other than those allowed as per section 45(1) of the MIFMA	Liability Management	Accounting Officer	Chief Financial Officer	There was no physical overdraft. This relates to payments captured on the cashbook and not paid through the	January 2019 on wards	Not achieved

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
					bank. It was indicated as reconciling items.. No payment should be uploaded in the cash book if there are no adequate cash reserves in the bank.		
24.	Short-term debt relating to the bank overdraft was incurred without a resolution of the municipal council approving the debt agreement	Liability Management	Accounting Officer	Chief Financial Officer	No action required - There was no physical overdraft. This relates to payments captured on the cashbook and not paid through the bank. It was indicated as reconciling items	Already in place	Completed
25.	Short-term debt relating to the bank overdraft was not repaid within the financial year	Liability Management	Accounting Officer	Chief Financial Officer	No action required - There was no physical overdraft. This relates to payments captured on the cashbook and not paid through the bank. It was indicated as reconciling items	Already in place	Completed
26.	Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure	Consequence Management	Mayor	Accounting Officer/MM	Unauthorised expenditure was only identified at year end. Refer unauthorised expenditure to the MPAC for investigation and implement the recommendations thereon	February 2019	Not achieved
27.	Losses resulting from unauthorised expenditure	Consequence Management	Mayor	Accounting Officer/MM	Implement the recommendations of	February 2019	Not achieved

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
	were not recovered from the liable person				MPAC		
28.	The authorisation of unauthorised expenditure amounting to R17,1 million was not done through an adjustment budget	Consequence Management	Accounting Officer/Municipal Manager	Chief Financial Officer	Implement the Virement Policy appropriately in the adjustment budget	January 2019	Not achieved
29.	Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure	Consequence Management	Mayor	Accounting Officer/MM	No action required - Irregular expenditure was submitted to MPAC and AG was informed thereof. MPAC currently busy with investigation	February 2019	Item already submitted to MPAC
30.	Losses resulting from irregular expenditure were not recovered from the liable person	Consequence Management	Mayor	Accounting Officer/MM	Implement the MPAC recommendations	February 2019	Awaiting MPAC investigation to be finalised
31.	Cases of irregular expenditure that constituted a criminal offence were not reported to the South African Police Service	Consequence Management	Mayor	Accounting Officer/MM	No action required- the municipal manager made available to AG the investigations already done.	Already in place	Investigations in progress by Hawks
32.	Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure	Consequence Management	Mayor	Accounting Officer/MM	Refer fruitless & wasteful expenditure to the MPAC for investigation and implement the recommendations thereon	February 2019	Not achieved
33.	Losses resulting from fruitless and wasteful expenditure were not recovered from the liable	Consequence Management	Mayor	Accounting Officer/MM	Implement the MPAC recommendations	February 2019	Not achieved



#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
	person						
34.	No sufficient appropriate audit evidence that the municipal manager disclosed financial interests within 60 days from the date of appointment	Human Resources Management	Accounting Officer	Corporate Services	No action required – All Directors and MM declared interest	Already in place	Completed
35.	No sufficient appropriate audit evidence that senior managers disclosed financial interests within 60 days from the date of appointment	Human Resources Management	Corporate Services	Human Resources Manager	No action required – All Directors and MM declared interest	Already in place	Completed
36.	No sufficient appropriate audit evidence that senior managers previously dismissed for financial misconduct were only re-appointed after the expiry of a 10-year term	Human Resources Management	Corporate Services	Human Resources Manager	Generate a report on all senior managers who were previously dismissed for financial misconduct but later re-appointed, ensuring that all re-appointment conditions were met	January to March 2019	
37.	An approved staff establishment was not in place	Human Resources Management	Accounting Officer	Corporate Services	No action required – Organogram approved by Council September 2017. Submitted the approved Organogram to the Auditor General	Already in place	Completed
38.	No sufficient appropriate audit evidence that appropriate systems and procedures to monitor, measure and evaluate the performance of staff were developed and adopted	Human Resources Management	Accounting Officer	Corporate Services	Develop and implement procedures to monitor, measure and evaluate the performance of staff. Cascading the staff performance measures to lower level	March 2019	

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
39.	Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations. Similar non-compliance was also reported in the prior year.	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	This related to two deviations which according to the AG did not have sufficient evidence that it was a deviation or the reasons supplied were insufficient and the declaration of interest of one service provider was outstanding. All deviations should have sufficient supporting documentation	June 2019	On going
40.	Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	The municipality relies on the CSD for confirmation of whether directors of suppliers are employed by the state. The AG does not accept reliance on CSD and still requires suppliers to submit written declaration. Also written declarations that were received after the award (even though CSD indicated that they were not employed by State) were not accepted. All bidders to declare next	June 2019	On going

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
					of kin and employment status regarding the organ of state. Declaration will be kept on tender files		
41.	Goods and services with a transaction value above R200 000 were procured without inviting competitive bids	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	This related to two deviations which according to the AG did not have sufficient evidence that it was a deviation or the reasons supplied were insufficient and the declaration of interest of one service provider was outstanding. All deviations should have sufficient supporting documentation	June 2019	On going
42.	Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	The Accounting Officer will confirm the appointment of Bid Committee Members in writing and acknowledged by each member through a signed acceptance letter	March 2019	In progress
43.	Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	The municipality relies on the CSD for confirmation of whether directors of suppliers are employed by the state. The AG does	June 2019	On going

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
					not accept reliance on CSD and still requires suppliers to submit written declaration. Also written declarations that were received after the award (even though CSD indicated that they were not employed by State) were not accepted. All bidders to declare next of kin and employment status regarding the organ of state. Declaration will be kept on tender files		
44.	Contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	This relates to two tenders. An independent confirmation of winning bidder's tax matters will be conducted before awarding	January 2019	On going
45.	Bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	Municipal Bid documentation will be amended to incorporate the minimum threshold on local content	March 2019	
46.	Commodities designated for local content and production	Procurement & Contract	SCM Manager	SCM Practitioners	This relates to one tender. Municipal Bid	March 2019	

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
	were procured from suppliers who did not submit a declaration on local production and content	Management (SCM)			documentation will be amended to incorporate the minimum threshold on local content. Suppliers will be requested to provide declaration on local production content		
47.	Commodities designated for local content and production were procured from suppliers who did not meet the prescribed minimum threshold for local production and content	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	This relates to one tender. Municipal Bid documentation will be amended to incorporate the minimum threshold on local content. Suppliers will be requested to provide declaration on local production content and determination will be made to confirm if minimum threshold is met	January 2019	
48.	Awards were made to providers who were in the service of the municipality or whose directors were in the service of the municipality. Providers failed to declare that they were in the service of the municipality	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	The audit finding related to CAATS that could not be performed because of some information that could not be extracted from the financial system. Some creditors were all grouped under one general creditors code.	Immediately	Completed

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
					Management did provide information to AG but AG indicated that it was insufficient to do CAATS (Computer Assisted Audit Techniques). All creditors need to have a separate creditors account on the financial system		
49.	Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	The audit finding related to CAATS that could not be performed because of some information that could not be extracted from the financial system. Some creditors were all grouped under one general creditors code. Management did provide information to AG but AG indicated that it was insufficient to do CAATS (Computer Assisted Audit Techniques). All creditors need to have a separate creditors account on the financial system	Immediately	Completed
50.	Persons in the service of the municipality whose close	Procurement & Contract	SCM Manager	SCM Practitioners	The audit finding related to CAATS that	Immediately	Completed

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
	family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest	Management (SCM)			could not be performed because of some Information that could not be extracted from the financial system. Some creditors were all grouped under one general creditors code. Management did provide information to AG but AG indicated that it was insufficient to do CAATS (Computer Assisted Audit Techniques). All creditors need to have a separate creditors account on the financial system		
51.	SCM officials who, or other SCM role players whose close family members, partners or associates, had a private or business interest in contracts awarded by the municipality participated in the process relating to that contract	Procurement & Contract Management (SCM)	SCM Manager	SCM Practitioners	No finding raised. Management is of view that this relates to to CAATS that could not be performed because of some information that could not be extracted from the financial system. Some creditors were all grouped under one general creditors code. Management did provide information to AG but AG indicated	Immediately	Completed



#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
					that it was insufficient to do CAATS (Computer Assisted Audit Techniques). All creditors need to have a separate creditors account on the financial system Declaration of employment status and next of kin will be compulsory to all service providers		
52.	Leadership did not exercise oversight over financial, performance and compliance reporting	General Internal Controls	Accounting Officer	All Managers	Due to the findings raised by the AG this was indicated as an internal control deficiency. Management is in disagreement with AG on number of findings. Management will however continuously ensure that all standard operating procedures are effectively implemented throughout the year	Immediately	On going
53.	The municipality did not maintain a proper record management system for electronic records	General Internal Controls	Accounting Officer	All Managers	Due to the findings raised by the AG this was indicated as an internal control deficiency.	Immediately	On going

#	Audit finding	Affected Section	Manager	Responsible Official	Details of audit findings and Action Required where applicable	Time frame	Status/ Progress to date
					Management is in disagreement with AG on number of findings. Management will however continuously ensure that all standard operating procedures are effectively implemented throughout the year		
54.	The audit committee did not review the annual financial statements and annual performance report in the current year	General Internal Controls	Accounting Officer	All Managers	The Chairperson of the Audit Committee resigned and Audit Committee did not have meetings. An email was sent to the Audit Committee to enquire whether they will review AFS without having a formal meeting and send input to the CFO. Management will ensure that AFS are submitted timeously to Audit Committee	Aug 2019	
55.	The internal audit unit lacked the capacity required to effectively perform their duties	General Internal Controls	Accounting Officer	Chief Audit Executive	Address capacity with placement process	March 2019	On going

## INTRODUCTION

The function of Performance Management within the municipality is performed in the office of the municipal manager, and includes monitoring the implementation of the Integrated Development Plan (IDP) through the Service Delivery and Budget Implementation Plan (SDBIP). Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the municipality and its administration. These indicators pin point areas of focus for each financial year and are included in the IDP. Once approved the IDP is married to the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop agreed performance plans for the Municipal Manager and Directors which is evaluated quarterly.

The Annual Performance Report is hereby submitted to the Dr. Beyers Naudé Local Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular No. 11

This report covers the performance information from 01 July 2017 to 30 June 2018 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2017/2018.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area. This report will also endeavor to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic key Performance Areas for local government, which are (1) Organizational Transformation & Institutional Development ; (2) Service Delivery & Infrastructure Planning; (3) Local Economic Development; (4) Financial Viability and (5) Good Governance and Public Participation.

## LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

(1) A municipality must prepare for each financial year a performance report reflecting—

- (a) the performance of the Municipality and each external service provider for the year;
- (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- (c) measures taken to improve performance.

Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players." Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the external service providers. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and Organizational performance.

## PERFORMANCE MANAGEMENT OVERVIEW

In order to improve on performance planning, implementation, reporting and measurement, the Institution implemented the following actions;

- Key performance indicators has been reviewed and the SMART principle has been applied, so that there is more effective monitoring and measurement of Key performance indicators.
- The Performance Management Policy that is the guiding tool for the Municipality has been reviewed.
- There is a key performance Indicator column added to Capital Budget Projects so that projects are more clearly defined.
- Within the scorecard sent out quarterly for performance evaluations, a column provision has been made for targets not met or lagging behind.
- An automated performance management system is available for use by the Municipality and will be fully utilized in the 2018/2019 financial year.
- The Performance Management is in the process of being cascaded to Management level with in the Municipality and individual performance will be evaluated in the 2018/2019 financial year.

	Performance Management guiding policy	All s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Reporting to Council
In place?	✓	✓	✓	✓	✓	✓

Performance Management System Checklist

## SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OVERVIEW

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The organizational performance is evaluated through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No. 13 prescribes that:

- The IDP and budget must be aligned;
  - The budget must address the strategic priorities;
  - The SDBIP should indicate what the municipality is going to do during next 12 months; and
  - The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.
- The SDBIP was prepared as described in the paragraphs below and approved by the Mayor.
- 

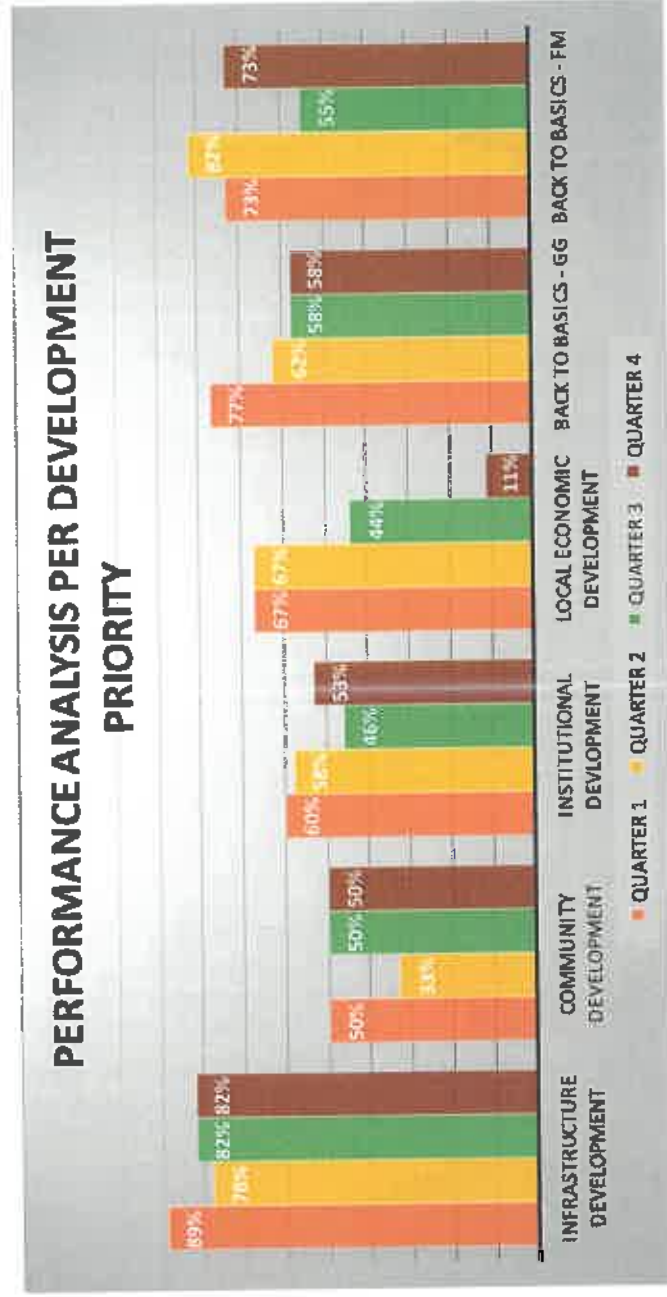
The SDBIP consolidate service delivery targets set by Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the SDBIP include:

**One-year detailed plan,**

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected NOT billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators;
- Non-financial measurable performance objectives in the form of targets and indicators; and detailed capital project plan broken down by ward.

## PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2017/2018 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality's actual performance against the planned targets as derived from the Municipality's SDBIP. Due to the fact that the Municipality has developed (6) Development Priorities, the Dr. Beyers Naudé Local Municipality will report as such.





## ORGANISATIONAL PERFORMANCE REPORT AS PER THE SDBIP FOR 2017/2018

### • CAPITAL BUDGET PROJECTS - 2017/2018

#### Infrastructure Development

Number of projects: 10  
Number of projects completed/ on target: 10  
Number of projects Not on Target: 0  
Percentage on targets: 100%

#### Institutional Development

Number of projects: 21  
Number of projects completed/ on target: 9  
Number of projects Not on Target: 12  
Percentage on targets: 43%

#### Community Development

Number of projects: 1  
Number of projects completed/ on target: 0  
Number of projects Not on Target: 1  
Percentage on target: 0%

#### OVERALL

Total Number of Capital Budget Projects per KPA = 32  
Number of Key Performance Indicators on Target/Completed = 19  
Number of Key Performance Indicators Not on Target = 13  
Percentage on Target = 59%

## **SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATOR- 2017/18**

### **Development Priority: Infrastructure Development**

**Number of Indicators: 7**

**Number of indicators on target: 4**

**Number of indicators not on target: 3**

**Percentage on target: 57%**

### **Development Priority: Community Development**

**Number of Indicators: 5**

**Number of indicators on target: 3**

**Number of indicators not on target: 2**

**Percentage on target: 60%**

### **Development Priority: Institutional Development & Organisational Transformation**

**Number of Indicators: 14**

**Number of indicators on target: 11**

**Number of indicators not on target: 3**

**Percentage on target: 79%**

### **Development Priority: Local Economic Development**

**Number of Indicators: 9**

**Number of indicators on target: 1**

**Number of indicators not on target: 8**

**Percentage on target: 11%**

Development Priority: Back to Basics – Good Governance

Number of Indicators: 12

Number of indicators on target: 7

Number of indicators not on target: 5

Percentage on target: 58%

Development Priority: Back to Basics - Sound Financial Management

Number of Indicators: 11

Number of indicators on target: 8

Number of indicators not on target: 3

Percentage on target: 73%

#### OVERALL

Total Number of Key Performance Indicators per KPA = 58

Number of Key Performance Indicators on Target/Completed = 34

Number of Key Performance Indicators Not on Target = 24

Percentage on Target = 59%

## CAPITAL BUDGET PROJECT ANALYSIS

**SDBIP ANALYSIS REPORT – CAPITAL BUDGET PROJECTS - 2017/2018**

## Infrastructure Development

Number of projects: 10  
 Number of projects completed/ on target: 10  
 Number of projects not on target: 0  
 Percentage on targets: 100%

**Total budget per focus area versus expenditure:**

IP Ref No.	Project Name & Responsible Person	objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target/ Not on Target	OVERALL PERFORMANCE 2017/2018			
											Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
<b>INFRASTRUCTURE DEVELOPMENT</b>														
111	Refurbishment of Borehole Equipment and Installation of Bio- Tower Water Treatment	To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and property	Upgrade reticulation system by systematic silty replacing old reticulation s.	Supply and Installation of 1 borehole pump, 1 water meter, Installation of 1 package water treatment plant.	New KPI	4	External MIG 2,131,800	2,131,800.00	2,131,800	On Target	2 Borehole 3 Meters 1 Package Plant. Project Completed.	None	N/A	N/A

112	Willmore Bulk Water Supply – Wilgerdooft Directorate: Engineering and Planning	maintain all infrastructure •	To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations	Construction of uPVC 2100m pipeline in Willowmore by 31 March 2018.	1 MCC panel for the package plant in Jansenville by 30 <sup>th</sup> June 2018.	New KPI	2100m pipeline	External MIG 3,015,610	3,015,610.00	100%	On Target	Project completed. Completion certificate available. 2150m uPVC pipeline in Willowmore	None	n/a	n/a
112	Willmore Bulk Water Supply – Upgrading, extensions and additional Directorate: Engineering and Planning	maintain all infrastructure •	To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations	Construction of uPVC 2000m pipeline in Willowmore by 30 <sup>th</sup> June 2018.		New KPI	2000m pipeline	External MIG 3,610,461	3,610,461	100%	On Target	Project completed. 3100m uPVC pipeline in Willowmore	None	n/a	n/a

IDP Ref. No.	Project Name & Responsible Person	Objective	Strategy	KPI	Previous Years Performance 2015/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target / Not on Target	OVERALL PERFORMANCE 2017/2018			
											Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
114	Aberdeen: Upgrading of Bulk Water Supply Phase 2  Directorate: Engineering and Planning	To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations.	Drilling and equipping of 2 boreholes and 1 Hydrological report in Aberdeen by 30 <sup>th</sup> June 2018.	New KPI	2 boreholes and 1 Hydrological Report	External MIG 1,109,073	1,109,073	100%	On Target	5 Boreholes drilled and 1 hydrological report.	None	n/a	n/a
118	Graaff-Reinet Emergency Water Supply Scheme  Directorate: Engineering and Planning	To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations.	Construction of 1 steel reservoir and installation of 315mm bulk rising main in Graaff-Reinet by 30 <sup>th</sup> June 2018.	New KPI	1 Steel Reservoir, 315mm rising main	External RBIG 22,000,000	19,605,000	Funding 100% spent. DW&S reduced funding allocation	On Target	1 Steel Reservoir, 1 rising main.	Reservoir's plus Pipe Lines Constructed	n/a	n/a

IDP Ref. No.	Project Name & Responsible Person	Objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target/ Not on Target	OVERALL PERFORMANCE 2017/2018			
											Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
131	Graaff-Reinet: Upgrading Solid Waste Site of 2 New Cells  Directorate: Community Services	Solid Waste Disposal Sites (Landfills), that are compliant, have adequate capacity and are properly managed and maintained	Systematically upgrade existing Infrastructure; replace and rehabilitate where applicable.	Number of cells constructed in Graaff-Reinet Solid Waste Disposal Facility by 30 <sup>th</sup> June 2018.	New KPI	2 cells	External MIG 675,047	675,047	100%	On Target	4 Cells constructed Project Completed.	None	n/a	n/a
141	Upgrade Infrastructure  Directorate: Engineering and Planning	To adequately upgrade the electrical supply and install the necessary electrical Infrastructure, as well as regular maintenance thereof	Conduct an audit of electrification needs and Infrastructure in the Dr Beyers Naudé LM.	Installation of 1.8KM overhead powerlines in Graaff-Reinet AND Electrification of 64 RDP Houses in Willowmore by 30 <sup>th</sup> June 2018.	New KPI	1.8km powerline AND 64 RDP houses electrified	External DOE 7,000,000	7,000,000.00	100%	On Target	Project completed. Close-out report available.  1.8km powerline  Electrification of 64 RDP Houses	none	n/a	n/a







### Institutional Development

Number of projects: 21  
 Number of projects completed/ on target: 8  
 Number of projects not on target: 13  
 Percentage on targets: 38%

Total budget per focus area versus expenditure:

IDP Ref. No.	Project Name & Responsible Person	objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target/ Not on Target	OVERALL PERFORMANCE 2017/2018			
											Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
INSTITUTIONAL DEVELOPMENT														
317	VEHICLES Directorate: Community Services	To improve service delivery by replacing the current fleet with more reliable vehicles.	Purchase vehicles or plant required for delivering the necessary services.	Number of Refuse trucks purchased by 30 <sup>th</sup> June 2018	New KPI	2 refuse trucks	External SBDM 1,000,000	0.00	0%	Not on Target	Trucks adjudicated.	2	Delay in SCM processes.	Trucks adjudicated and will be delivered by the end of September 2018.
330	Air Conditioners Directorate: Budget & Treasury	To provide sufficient operational requirements , furnish and equip the relevant offices and venues, in order to improve efficiency of all	Equip offices and areas of service delivery with adequate resources.	Number of Air conditioners purchased by 30 September 2017.	No Air conditioners Purchased.	2	External FMG 20,000	12,800	64%	On Target	6 air conditioners installed	+4	More Air conditioners needed.	n/a

IDP Ref. No.	Project Name & Responsible Person	Objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target/ Not on Target	Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
330	Air Conditioners	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of Air conditioners purchased by 30 September 2017.	No Air conditioners Purchased.	6	Internal 60,000	0	0%	Not on Target	No output	6	Cash flow constraints	n/a
330	Air Conditioners	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of air conditioners purchased by 30 September 2017.	No Air conditioners Purchased.	1	External FMG 15,000	0	0%	Not on Target	No air conditioner purchased.	1	This did not form part of the FMG	n/a



	Directorate: Budget & Treasury	requirements , furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	service delivery with adequate resources.	Tables, and 21 Chairs by 31 December 2017.														business plan. Cash flow constraints.	
331	Office Furniture  Directorate: MM/Internal Audit	To provide sufficient operational requirements , furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip and offices areas service delivery with adequate resources.	Purchase 2 desks by 30 <sup>th</sup> June 2018	2	External FMG 22,000	11, 431.99	52%	On Target	1 Desk, 1 Shelf, 2 visitor chairs and 1 high back chair.	1 shelf, 2 visitor chairs and 1 high back chair.	n/a	n/a						

IDP Ref. No.	Project Name & Responsible Person	Objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target/ Not on Target	OVERALL PERFORMANCE 2017/2018			
											Actual Output	Variance	Reasons for Variance.	Plan of action to address target not reached
334	Cleaning Appliances Directorate: Budget & Treasury	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of Polishers and Vacuum cleaners to be purchased by 30 <sup>th</sup> September 2017.	New KPI	2	External FMG 30,000	30,000	100%	On Target	Purchased 1 Polisher, 1 Vacuum cleaner and 1 Micro-wave.	1 Micro-wave	Additional requirement	N/a
341	Tools and Equipment Directorate: Community Services/ Protection Service	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all	Equip offices and areas of service delivery with adequate resources.	Number of Specialised Occupational Health and Safety (Fire) equipment purchased by 31 December 2017.	No equipment purchased	14	Internal/ External 50,000	0	0%	Not On Target	Supply and delivery of 16 Fire bunker suits during the 4 <sup>th</sup> quarter.	+2	Additional Safety (fire) equipment needed. Target date of 31 December was not achieved.	n/a



IDP Ref. No.	Project Name & Responsible Person	Objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target/ Not on Target	OVERALL PERFORMANCE 2017/2018			
											Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
342	Tools and Equipment Directorate: Budget & Treasury	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Equip offices and areas of service delivery with adequate resources.	Number of Hand – Held devices purchased for meter reading throughout the Dr. Beyer's Naude Local Municipality 31 December 2017.	No hand held devices purchased.	4	External FMG 70,000	0	0%	Not on Target	No hand-held devices purchased for 2017/2018	4	n/a	No funding available. This was not included in the business plan for FMG. Cash flow constraints

ICP Ref. No.	Project Name & Responsible Person	Objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target/ Not on Target	Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
345	Machinery Office, e.g. shredders Directorate: MM/ Internal Audit	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Equip offices and areas of service delivery with adequate resources.	Purchase a shredder and overhead projector by 30 <sup>th</sup> June 2018	New KPI	2	External FMG 9000	3,772.00	42%	Not on Target	Shredder purchased.	1 overhead projector.	To be purchased in next financial year.	To be purchased in next financial year

IDP Ref. No.	Project Name & Responsible Person	Objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget (R)	Expenditure	Expenditure %	On Target/ Not on Target	OVERALL PERFORMANCE 2017/2018			
											Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
351	IT Software Directorate: Corporate Services	To improve overall efficiency of ICT ~ administrative, billing, record keeping, information sharing and communication; to ensure optimal, cost-effective production and quality service delivery	Conduct a comprehensive ICT audit.	Number of Exchange Hosted mailboxes purchased By 31 September 2017.	New KPI	10	External FMG 70,000	0	0%	On Target	37 Exchange hosted mailboxes purchased in the 1 <sup>st</sup> quarter.	17	n/a	n/a
351	IT Software Directorate: Corporate Services	To improve overall efficiency of ICT ~ administrative, billing, record keeping, information sharing and communication; to ensure optimal, cost-effective production and quality service delivery	Conduct a comprehensive ICT audit.	Number of Windows pro licenses purchased by 31 September 2017.	New KPI	10	External FMG 40,000	0	0%	On Target	37 Windows pro licenses purchased during the 1 <sup>st</sup> quarter.	17	n/a	n/a

351	IT Software Directorate: Corporate Services	To improve overall efficiency of ICT – administration, billing, record keeping, information sharing and communication; to ensure optimal, cost-effective production and quality service delivery	Conduct a comprehensive ICT audit.	Number of Microsoft Office H&B Licences purchased by 31 September 2017.	New KPI	10	External FMG 50,000	0	0%	On Target	37 Microsoft Office H&B Licences purchased in the 1 <sup>st</sup> quarter.	17	n/a	n/a
351	IT Software Directorate: MM/ Internal Audit	To improve overall efficiency of ICT – administration, billing, record keeping, information sharing and communication; to ensure optimal, cost-effective production and quality service delivery	Identify and implement suitable projects	Installation of internal audit software by 30 <sup>th</sup> June 2018	New KPI	Software installed.	External FMG 200,000	0	0%	Not on Target	Supply chain processes not finalized.	Software	n/a	n/a
362	IT Hardware Directorate: Corporate Services	To improve overall efficiency of ICT – administration, billing, record keeping,	Conduct a comprehensive ICT audit.	Purchased 1 drill, 2 step ladder, 1 glue gun, 1 crimping tool, 1 network tester) by 31 December	New KPI	6	External FMG 10,000	0	0%	Not on Target	No Output	6	n/a	n/a



			record keeping, information sharing and communication; to ensure optimal, cost-effective production and quality service delivery.																				
ICP Ref. No.	Project Name & Responsible Person	Objective	Strategy	KPI	Previous Years Performance 2016/2017	Annual Target	Budget R	Expenditure	Expenditure %	On Target/ Not on Target	OVERALL PERFORMANCE 2017/2018									Actual Output	Variance	Reasons for Variance	Plan of action to address target not reached
353	IT Infrastructure Directorate: Corporate Services	To improve overall efficiency of ICT ~ administration, billing, record keeping, information sharing and communication; to ensure optimal, cost-effective production and quality service delivery	Identify areas in need of systems upgrade and formulate appropriate ICT Plan & Policies (including IT Disaster Recovery).	Number of Municipal Buildings identified for the installation of WIFI by 30 <sup>th</sup> June 2018.	New KPI	4	External FMG 200,000	0	0%	Not on Target	No output	n/a	n/a	n/a	ICT assessment conducted during the 4 <sup>th</sup> quarter								
354	Electronic Systems Directorate:	To improve overall efficiency of ICT ~	Conduct a comprehensive ICT audit	Number of Vending Machines purchased by	No vending machines purchased.	4	External FMG 220,000	0	0%	Not on Target	Tender for prepaid vending system	n/a	n/a	n/a	New vending points to be implemented								





## SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PERFORMANCE ANALYSIS

### SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

DEVELOPMENT PRIORITY - INFRASTRUCTURE DEVELOPMENT						Overall Performance				
Objective	Strategy	Depart	KPI	Previous Years Performance 2016/2017	Annual Target	On Target/ Not on Target	Brief Description of Actual Output	Variance	Reasons for Variance	Brief Plan of Action to address KPI Target not achieved.
To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure.	Identify and implement suitable Projects.	Engineering and Planning	Number of reservoirs cleaned in Graaff-Reinet by 30 <sup>th</sup> June 2018.	7 Reservoirs were cleaned.	6	On Target	8 cleaned	+1	1 additional reservoir cleaned.	n/a
For all households to have uninterrupted access to good quality, potable water.	Implement Action Plans contained in WSDP and ensure that proper controls and monitoring measures are in place	Engineering and Planning	Monitor water quality through taking 13 Samples per month.	156 samples taken	156	On Target	222 samples	+66	More samples taken to ensure quality water.	n/a
For all households to have uninterrupted access to good quality, potable water.	Implement Action Plans contained in WSDP and ensure that proper controls and monitoring measures are in place	Engineering and Planning	Percentage compliance with drinking water quality standards (micro-bacteriological) quarterly.	88% Compliance with drinking water quality	80%	On Target	99.9%	19.9%	n/a	n/a

To adequately upgrade the electrical supply and install the necessary electrical infrastructure, as well as regular maintenance thereof.	Identify and implement suitable Electrification Projects	Engineering and Planning (Electrical) Department	Number of oil test sample reports for a Transformer by 30 June 2018.	21	1	On Target	1 test sample report.	None	n/a	n/a
Effective recycling programmes that will reduce waste volumes at landfill site and create economic opportunities for the Community	Step up educational campaigns to encourage all citizens to take pride in their areas and keep them clean; to recycle at source	Community Services	Number of Waste management Campaigns held at ward meetings, schools and other institutions by 30 <sup>th</sup> June 2018.	New KPI	12	Not On Target	No waste management campaigns held. Waste management campaign scheduled for the 18 <sup>th</sup> July 2018.	12	n/a	Waste management campaign scheduled for the 18 <sup>th</sup> July 2018.
The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment	Provide adequate waste disposal facilities and containers, as well as regular waste removal service	Community Services	Number of quarterly reports on Cleaning of illegal dumping sites and waste skips by 30 <sup>th</sup> June 2018.	New KPI	4	Not on Target	No output	12	n/a	Regular reporting to community service standing committee to commence in the 2018/19 financial year.
The eradication of illegal dumping and littering and creation of clean and healthy urban areas and surrounding environment	Provide adequate waste disposal facilities and containers, as well as regular waste removal service	Community Services	Number of reports on cleaning parks and all recreational areas by 30 <sup>th</sup> June 2018.	New KPI	4	Not on Target	No output	12	n/a	Regular reporting to community service standing committee to commence in the 2018/19 financial year.

DEVELOPMENT PRIORITY - COMMUNITY DEVELOPMENT						Overall Performance				
Objective	Strategy	Dept	KPI	Previous Years Performance 2016/2017	Annual Target	On Target/ Not on Target	Brief Description of Actual Output	Variance	Reasons for Variance	Brief Plan of Action to address KPI Target not achieved.
To significantly reduce and mitigate the negative impact of disasters and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.	Regularly review and update the Municipality's Disaster Management Plan and ensure that it incorporates threats identified throughout the region	Protection Services Department	Review 1 Disaster management plan and approve by council by 30 <sup>th</sup> June 2018	Not On Target Aurecon have been appointed by SBDM to compile a risk assessment in respect of all disasters in the DBNLM and the assessment is not completed yet. Awaiting completion report from Aurecon.	1	Not on Target	No Output	1	Due to Aurecon that was appointed by SBDM to compile a risk assessment the Disaster management plan was not reviewed.	The information from the risk assessment after completed will be used to review the Disaster management plan in the 2018/19 FY

To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women	Municipal Manager/ SPU unit	Monitor 9 Sports & Cultural events Organized for the Community through reports submitted by SPU Officer to the Office of the Municipal Manager by 30 <sup>th</sup> June 2018	World Aids Day 01-11 December 2018 Reconciliation Day – 16 December 2018 Launch of the Athletics League – 28 October 2016 Camdeboo Clashes – 7 September 2016 Opening of Festive Season – 11 December 2016 16 Days of Activism Against Women and Child Abuse – 25 November 2016 – 10 December 2016 EPA Brutal Fruit Netball League – 01 October 2016 Let's Play MNET & SuperSport Championship	9	On Target	National Day for disabled persons, World Aids Day, Reconciliation Day, 16 Days of Activism Against Women and Child Abuse, Opening of Festive Season, Crime Awareness and Human Rights Day Commemorations in collaboration with SAPS and other Stakeholders, Showville Talent Search in Commemoration of Human Rights Month in collaboration with SABC 2 and Okuhle Productions and Freedom Day Commemorations Tournament.	None	n/a	n/a
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To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	Municipal Manager/ SPU Unit	Number of SPU Consultative Forums established, namely: Youth Council, Local Council, Local Aids Council, Women's Forum and Disabled Forum by 31 December 2017.	Local Sports Council Elections – 19 May 2017 Local Aids Council Inductions – 21-22 June 2017 Establishment of Women's Caucus – 26 April 2017 Establishment of the Initiation Forum – 7 June 2017 The election of a Youth Council and Disabled forum will commence in the new financial year.	4	Not on Target	All councils established except youth council. Youth council not established, however provision is made for the establishment of the council in 2018/19.	1 council	Due to vast area no youth council established.	Youth council not established, however provision is made for the establishment of the council in 2018/19.
To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	Municipal Manager/ SPU Unit	Monitor effectiveness of SPU consultative councils/ Forums by providing quarterly reports to the office of the Municipal Manager.	New KPI	4	On Target	Quarterly reports submitted	none	n/a	n/a

To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	Municipal Manager/ SPU Unit	Number of training programmes for vulnerable groups especially youth and disabled citizens by 30 <sup>th</sup> June 2018.	Computer Training for Youth – July 2016 – June 2017  56 students trained every month on basic computer training.	8	On Target	Arts and Crafts Training throughout BNL M Computer training in Willowmore/ Steylerville/ Rietbron through the year. Additional Training programmes implemented: Mass Participation Programme in partnership with Environmental Affairs. Horticulture Training and Painting Training. Human Settlements, NHBC, NYDA and BNL M: Women's Build programme SA Army, OTP, SBDM and BNL M: Maintenance and Infrastructure Training Programme. AGRI SETA and BNL M: AET Training in Klipplaat and Graaf-Reinet. Media works and BNL M: Work readiness training	n/a	n/a	n/a
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DEVELOPMENT PRIORITY – ORGANISATIONAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT						OVERALL PERFORMANCE				
Objective	Strategy	Depart	KPI	Previous Years Performance 2016/2017	Annual Target	On Target/ Not on Target	Brief Description of Actual Output	Variance	Reasons for Variance	Brief Plan of Action to address KPI Target not achieved
To recruit staff with adequate qualifications, skills, training and experience.	Finalise the review of the Staff Establishment as a matter of urgency	Corporate services (Human resource department)	Develop an organizational structure by 31 December 2017.	Macro structure for Beyers Naude Local Municipality adopted by Council. A consultant was appointed to develop an organizational structure for the municipality. The Macro structure was tabled and approved by Council, the Micro structure to be finalized.	1	On Target	The organizational structure was approved on 20 September 2017. Management is currently engaged with the placement of staff.	none	n/a	n/a
To recruit staff with adequate qualifications, skills, training and experience.	Finalise the review of the Staff Establishment as a matter of urgency	Corporate services (Human resource department)	Number of Delegation registers developed by 31 December 2017	New KPI	1	On Target	1 Delegation Register has been approved by Council and is currently reviewed by the Service Provider to include sub-delegations.	none	n/a	n/a



To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate services (Human resource department)	Number of employment equity plans developed by 31 December 2017.	Not On Target Organogram process delaying the development of an employment equity plan.	1	Not On Target	Task team appointed for compiling of Employment Equity Plan. Plan can only be developed after placement is finalized.	1	Deregistration can only be done after submitting reports for 2017. The opportunity to do the deregistration is August 2018	Process of deregistration July 2017. Letter written to Dept of Labour. In December different Municipalities reported differently. Deregistration can only be done after submitting reports for 2017. The opportunity to do the deregistration is August 2018
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate services (Human resource department)	Develop a workplace skills plan with an annual training report by 30 <sup>th</sup> March 2018	New KPI	1	On Target	WSP was submitted to LGSETA on the 30 April 2018	none	n/a	n/a
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Budget and Treasury	Review 13 Financial Policies and table before Council for approval by 30 June 2018.	On Target 10 policies reviewed	13	On Target	14 Financial policies reviewed and approved by Council as well as 2(two) By-Laws.	+1	n/a	n/a

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate services (Human resource department)	Number of HR policies reviewed and approved by council by 31 <sup>st</sup> December 2017.	New KPI	10	Not on Target	HR Policies reviewed by service provider. Workshop to commence and approval by Council.	10	Service provider revising all policies.	Workshop to commence and approval by Council.
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Engineering and Planning (Town Planning)	Number of SPAZA Shop policies reviewed and approved by council by 31 <sup>st</sup> December 2017.	New KPI	1	Not on Target	Policy to be workshoped with council.	1	n/a	To commence in the 2018/19 financial year.
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Budget and Treasury (Supply Chain Department)	Prepare Supply Chain Management Implementation through 3 quarterly reports by 30 June 2018.	4 quarterly reports to Council.	3	On Target	Three (3) monthly reports and 1 quarterly report.	None	n/a	n/a

[illegible]

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly	Corporate Services (Administrative Department	Monitor Council resolutions by providing reports on the implementation of council resolutions.	A resolution register template has been approved by Council. Resolutions are recorded and implementation thereof will be reported to Council quarterly in the new financial year.	4	On Target	Resolution Register tabled before Council on 28 June 2018.	none	n/a	n/a
			Performance.	and plans, delay in performance information submissions. Performance agreements will be entered into for the new financial year and performance plans will be developed for senior managers. The quarterly performance reports will be tabled to council based on the implementation of the performance plans and SDBIP.						

To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services (Administration Department)	Compile a Lease Register with a list of all signed lease agreements by 30 June 2018.	A list was sent to Council on leases, however all expired lease agreements will have to be re advertised.	1	On Target	Lease register updated. Lease Register was tabled at the Corporate Services Committee meeting on 12 June 2018, 20 June EXCO and Council on 28 June but was referred back to EXCO. EXCO is scheduled for 26th July 2018.	None	n/a	n/a
To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services (Human Resource Department)	Report on all disciplinary hearings on a quarterly basis to EXCO.	All disciplinary hearings recorded and reported on a quarterly basis to EXCO.	4	On Target	Quarterly reports submitted to EXCO on disciplinary hearings.	None	n/a	n/a

DEVELOPMENT PRIORITY – LOCAL ECONOMIC DEVELOPMENT							OVERALL PERFORMANCE			
Objective	Strategy	Depart	KPI	Previous Years Performance 2016/2017	Annual Target	On Target/Not on Target	Brief Description of Actual Output	Variance	Reasons for Variance	Brief Plan of Action to address KPI Target not achieved
SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager (LED Unit)	Profiling and building capacity in SMMEs – 4 new SMMEs trained in (Export and Business Training) in Graaff-Reinet by 30 June 2017.	32 SMME's Trained	4	Not on Target	No output	4	No SMME's trained.	Training scheduled for July 2018.
SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager (LED Unit)	Number of people employed through the EPWP Labour intensive programme to address high unemployment rate in Dr. Beyers Naude Local Municipality by 30 June 2018.	327 people employed through CWP and 288 employed through EPWP	200	On Target	239 employed, funded by MIG  159 Employed, Fountainbos project	188	More employment occurred.	n/a

SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager (LED Unit)	Number of labourers employed for the project: Reconstruction of Lincorn and Asherville schools in Graaff-Reinet by 30 June 2018.	New KPI	100	Not On Target	41 Appointed at Lincorn.  11 Appointed at Asherville	48	More appointments will be made as these projects progress.	n/a
SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager (LED Unit)	Number of SMME's employed for the project: Reconstruction of Lincorn and Asherville schools in Graaff-Reinet by 30 June 2018	New KPI	16	Not on Target	No output	16	No SMMEs appointed.	Both projects are lagging and appointments of SMMEs will start in Aug 2018 only.
SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Develop LED Strategic Plan with an economic Vision for the Municipality.	Municipal Manager (LED Unit)	Number of commonage plans developed by the 30 <sup>th</sup> June 2018.	New KPI	1	Not on Target	No funding available for the development of a commonage plan. Funding to be sourced	1	No funding available for the development of a commonage plan.	No funding to appoint a service provider. The Cogta District Multi-Disciplinary Team committed during a meeting held on 20 July 2018 to assist the municipality in developing a Commonage Management Plan.



SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager (LED Unit)	Assistance and development of SMME's by 30 June 2018.	New KPI	5	Not On Target	Proposal received from SMME's that require assistance. An evaluation committee to be established	5	n/a	An evaluation committee to be established.
SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Develop LED Strategic Plan with an economic vision for the Municipality.	Municipal Manager (LED Unit)	Develop a Tourism strategy by 31st December 2017	Action plan and letter from COGTA to commence with the development of LED Strategy plan and the Tourism sector plan	1	Not On Target	No funding to appoint a service provider. The Cogta District Multi-Disciplinary Team committed during a meeting held on 20 July 2018 to assist the municipality with consolidating the Tourism Sector Plans of the Former dis-established Municipalities.	1	n/a	The Cogta District Multi-Disciplinary Team committed during a meeting held on 20 July 2018 to assist the municipality with consolidating the Tourism Sector Plans of the Former dis-established Municipalities.
SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Develop LED Strategic Plan with an economic vision for the Municipality.	Municipal Manager (LED Unit)	Develop LED Strategy by 31st December 2017	Action plan and letter from COGTA to commence with the development of LED Strategy plan and the Tourism sector plan	1	Not on Target	No funding to appoint a service provider. The Cogta District Multi-Disciplinary Team committed during a meeting held on 20 July 2018 to assist the municipality with the development of LED strategy.	1	n/a	The Cogta District Multi-Disciplinary Team committed during a meeting held on 20 July 2018 to assist the municipality with the development of LED strategy.

Creating and enabling environment to attract investment that generates economic growth and job creation	Implement strategic LED Action and Interventions with the aim of creating networks, linkages, referral & support systems, appropriate policies, by-laws, incentives, services and infrastructure that will stimulate and facilitate LED, attract investment, encourage establishment and growth of business and industry in the Dr. Beyers Naude LM.	Municipal Manager (LED Unit)	Implement 2 Initiatives Identified by the Mohair summit by 30 <sup>th</sup> June 2018.	New KPI	2	Not on Target	No output. Council representative to be elected to follow-up those initiatives.	2	n/a	Council to identify representative to sit on the mohair task team.
DEVELOPMENT PRIORITY – BACK TO BASICS - GOOD GOVERNANCE										
Objective	Strategy	Depart	KPI	Previous Years Performance 2016/2017	Annual Target	On Target/Not on Target	Brief Description of Actual Output	Variance	Reasons for Variance	Brief Plan of Action to address KPI Target not achieved.
To become the best performing Municipality, in all respects.	Developing a credible Integrated Development Plan that will address the developmental needs of our Community.	Municipal Manager (IDP Unit)	A reviewed and credible IDP for 2018/19.	(a) Process Plan was developed, adopted and implemented (b) 14 Ward Councillors were	1	On Target	(a) 14 x Mayoral Outreach / PP meetings. (b) 1 x IDP SC meeting. (c) 1 x IDP RF meeting. (d) 1 x first review of 2017 - 2022 IDP	none	n/a	n/a

[illegible]



To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services (Administrative Department)	Number of Meetings held in terms of year planner by 30 June 2017. (4 Ordinary Council Meetings and 4 Standing Committee meetings)	Ordinary Meeting (18 August 2016, 13 Dec 2016, 6 April 2017 and 13 July 2017  Standing Committees (7 Nov 2016, 6 Dec 2016, 27 Feb 2017, 8, 9, 12, 13 & 22 June 2017)	8	On Target	This done accordingly.	None	n/a	n/a
To become the best performing Municipality, in all respects.	Ensuring that Ward Committees have been established and are functioning properly, and that a CDW has been appointed in each Ward	Municipal Manager	CDW's deployed at ward level with monthly report submission.	No monthly reports as no CDW's deployed by COGTA. Meeting Held with COGTA National and provincial to discuss the matter and to speed up the process. Recruitments to commence in new financial year.	12	Not on Target	CDW's are deployed by COGTA. Not all wards have CDW's.	12	Emphasis is placed on vacant CDW post at MUNICIPAL and Provincial IGR meeting for posts to be filled.	Emphasis is placed on vacant CDW post at MUNICIPAL and Provincial IGR meeting for posts to be filled.
To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services (Administrative Department)	Number of MPAC meetings to assist with oversight function until 30 June 2018.	3 MPAC meetings held	4	On Target	Quarterly MPAC meeting held during the 4 <sup>th</sup> quarter. 27 Nov 2017 15 March 2018 23 March 2018 20 June 2018	None	n/a	n/a

To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services (Administration)	Number of Audit Committee meetings to assist with oversight function until 30 June 2018.	30 Aug & 8 Dec 2016, 1 March & 26 June 2017	4	On Target	Audit Committee meeting held during the 4 <sup>th</sup> quarter.	N/A	n/a	n/a
To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate Services (Human Resource Department)	Ensure that the LLF is functioning properly and fulfilling its mandate by having 6 Meetings annually	6 LLF's meeting held	6	Not On Target	Not on Target	Only 2 LLF's commenced during the 17/18 FY	LFF meetings to be held at least once per quarter.	n/a

To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Municipal Manager (Communication Unit)	Implement Communication Action Plans by providing quarterly progress reports by 30 <sup>th</sup> June 2018.	Communication strategy and action plan has been developed and approved by Council. Newsletter distributed on a quarterly basis internally and externally. Limited implementation	4	Not On Target	No output	Communicated on action plan to be reviewed for 2018/2019	n/a	n/a
To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Municipal Manager (Communication Unit)	Number of quarterly External Newsletters distributed to stakeholders by 30 <sup>th</sup> June 2018	New KPI	60 000	Not On Target	No newsletter developed during the 4 <sup>th</sup> quarter.	60 000	Tools of trade not available for developing quarterly newsletters and delay in appointment of communication official.	Communication official to be appointed and provided with the required tools of trade.



To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communications systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Municipal Manager (Communication Unit)	Number of Interviews Held with the Mayor and submitted to the local Newspaper (The advertiser) by 30 <sup>th</sup> June 2018.	New KPI	4	On Target	4 Interviews held throughout the financial year.	none	n/a	n/a
To become the best performing Municipality, in all respects.	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate Services (Administrative Department)	Maintain updated housing beneficiary list and submit to Department of Human settlement on a quarterly basis by 30 <sup>th</sup> June 2018	New KPI	4	On Target	Quarterly housing needs register will be submitted to corporate service standing committee in August 2018. No report for the 4 <sup>th</sup> quarter was submitted.	None	n/a	n/a

To become the best performing Municipality, in all respects.	Ensuring that Ward Committees have been established and are functioning properly, and that a CDW has been appointed in each Ward.	Municipal Manager	Quarterly Ward Committee meetings until 30 June 2018	No new ward committee elections held. Ward committee's to be elected in new financial year.	4	Not on Target	Quarterly ward committee meetings held in wards, excluding ward 5.	n/a	Ward Cllr disputes legitimacy of Ward Committee Members elected.	Ward Cllr disputes legitimacy of Ward Committee Members elected.
To become the best performing Municipality, in all respects	Providing Free Basic Services and Indigent Support.	Budget and Treasury (Finance Department	Extend the Indigent Register by registering 120 Houses by 30 <sup>th</sup> June 2018.	187 Households registered	120	On Target	243 new applications registered for the year.	+123	More indigents registered	n/a
DEVELOPMENT PRIORITY – BACK TO BASICS - SOUND FINANCIAL MANAGEMENT						OVERALL PERFORMANCE				
Objective	Strategy	Depart	KPI	Previous Years Performance 2016/2017	Annual Target	On Target/ Not on Target	Brief Description of Actual Output	Variance	Reasons for Variance	Brief Plan of Action to address KPI Target not achieved.
To become a financially viable and sustainable Municipality.	The development and Implementation of a Funding Strategy.	Budget and Treasury (Finance Department	100% expenditure of Municipal FMG and Audit Improvement Grant by 30 <sup>th</sup> June 2018.	New KPI	100%	On Target	100% Expenditure	none	n/a	n/a
To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Municipal Manager	100% Reporting compliance by submitting s71, s72 and s52d reports within legislated	100% submission of financial information not achieved due to	100%	On Target	All reporting done as per MFMA.	none	n/a	n/a

To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Municipal Manager	Improve Outcome of the AG report: Execute action plan to address previous findings by 30 June 2018.	amalgamation process, system integration, mSCOA compliance and capacity challenges	1	Not on Target	10 items not started, 32 in process and 27 completed.	none	n/a	n/a	Number of items is currently indicated as being in process and will only be concluded in the new Financial year 2018/19
To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Budget and Treasury (Supply Chain Department	Verification of the completeness of the Asset Register (Asset Register compliant to GRAP standards)	A full scope asset verification process has been conducted within the municipality and a compilation of a Grap compliant asset register will be submitted with Annual financial statement to the Auditor General on 31 August 2017.	100%	On Target	All purchases captured, Recon performed and annual reviewed performed	None	n/a	n/a	

To become a financially viable and sustainable Municipality.	Alignment of the Budget to the IDP's Development Priorities.	Municipal Manager	Percentage CAPEX of budget spend by 30 <sup>th</sup> June 2018.	27% Capital expenditure which is funded by Grants not 100% spent due to amalgamation process challenges, however application for rollover of allocated funds has been submitted to National Treasury	100%	Not On Target	72% CAPEX budget spent	28%	RBIG Grant was reduced due to Dept of Water Affairs not having sufficient funding	n/a
To become a financially viable and sustainable Municipality.	Alignment of the Budget to the IDP's Development Priorities.	Municipal Manager	Percentage OPEX of budget spend by 30 <sup>th</sup> June 2018.	65%. Operational Expenditure budget has not been spent due to cash flow challenges encountered by the municipality as a result of debt owed mainly to Eskom and AG. The poor collection of debt at just over 70% has also contributed to the cash flow challenges with employee cost constantly	80%	On Target	95% of OPEX budget spent	none	n/a	n/a

To adopt a realistic, credible and funded Annual Budget	Alignment of the Budget to the IDP's Development Priorities.	Municipal Manager	2018/2019 Budget approved by Council by 31 May 2018.	The budget has been approved on 23 May 2017 with budget related policies and tariffs.	1	On Target	Final budget approved by council on the 29 <sup>th</sup> May 2018 and made public	none	n/a	n/a
To become a financially viable and sustainable Municipality.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.	Budget and Treasury (Finance department)	Improve collection rate on service debtors to address cash flow constraints by 30 <sup>th</sup> June 2018 (Service debtors/service debt collected)	New KPI	80%	On Target	Collection rate for the year 90.28%	none	n/a	n/a
To become a financially viable and sustainable Municipality.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.	Budget and Treasury (Finance department)	Financial recovery plan implemented and monitored by submissions quarterly to EXCO by 30 <sup>th</sup> June 2018.	New KPI	1	Not on Target	No quarterly reports submitted. Revised. Recovery plan was approved in December 2017.	1	n/a	Reports to be submitted quarterly during 2018/2019

To become a financially viable and sustainable Municipality.	Stringent implementation and execution of the Municipality's Credit Control & Debt Collection Policy.	Budget and Treasury (Finance department)	Effective control over collection of property rates: by 30 June 2018.  Property rates collected/ property rate debtors.	New KPI	Ensure average 80% recovery rate of property rates billed by 30 June 2018.	On Target	Percentage is 95.39% for year to date 30 June 2018.	none	n/a	n/a
To become the best performing Municipality, in all respects.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs	Budget and Treasury (Finance department)	Number of interns appointed in Finance Department by 30 June 2018.	New KPI	7	On Target	7 interns appointed	none	n/a	n/a

## 2016/2017 PERFORMANCE – TARGET ACHIEVEMENT VS 2017/2018 PERFORMANCE – TARGET ACHIEVEMENT

2016/2017 - CAPITAL BUDGET PROJECTS	2017/2018 – CAPITAL BUDGET PROJECT
<u>Infrastructure Development</u> Number of projects: 15 Number of projects completed/ on target: 4 Number of projects Not on Target: 11 Percentage on targets: 27%  <u>Institutional Development</u> Number of projects: 15 Number of projects completed/ on target: 6 Number of projects Not on Target: 9 Percentage on targets: 40%  <u>Community Development</u> Number of projects: 3 Number of projects completed/ on target: 0 Number of projects Not on Target: 3 Percentage on target: 0%  Total Number of Capital Budget Projects per KPA = 34 Number of Key Performance Indicators on Target/Completed = 10 Number of Key Performance Indicators Not on Target = 22 Percentage on Target = 30%	<u>Infrastructure Development</u> Number of projects: 10 Number of projects completed/ on target: 10 Number of projects Not on Target: 0 Percentage on targets: 100%  <u>Institutional Development</u> Number of projects: 21 Number of projects completed/ on target: 8 Number of projects Not on Target: 13 Percentage on targets: 38%  <u>Community Development</u> Number of projects: 1 Number of projects completed/ on target: 0 Number of projects Not on Target: 1 Percentage on target: 0%  Total Number of Capital Budget Projects per KPA = 32 Number of Key Performance Indicators on Target/Completed = 19 Number of Key Performance Indicators Not on Target = 13 Percentage on Target = 59%



2016/2017 - OPERATIONAL KPI'S / PROJECTS	2017/2018 - OPERATIONAL KPI'S / PROJECTS
<p><b>Development Priority: Infrastructure Development</b>  Number of Indicators: 2  Number of Indicators on target: 2  Number of Indicators not on target: 0  Percentage on target: 100%</p>	<p><b>Development Priority: Infrastructure Development</b>  Number of Indicators: 7  Number of Indicators on target: 4  Number of Indicators not on target: 3  Percentage on target: 57%</p>
<p><b>Development Priority: Local Economic Development</b>  Number of Indicators: 5  Number of Indicators on target: 2  Number of Indicators not on target: 3  Percentage on target: 40%</p>	<p><b>Development Priority: Local Economic Development</b>  Number of Indicators: 9  Number of Indicators on target: 1  Number of Indicators not on target: 8  Percentage on target: 11%</p>
<p><b>Development Priority: Institutional Development</b>  Number of Indicators: 15  Number of Indicators on target: 10  Number of Indicators not on target: 5  Percentage on target: 67%</p>	<p><b>Development Priority: Institutional Development</b>  Number of Indicators: 14  Number of Indicators on target: 11  Number of Indicators not on target: 3  Percentage on target: 79%</p>
<p><b>Development Priority: Community Development</b>  Number of Indicators: 5  Number of Indicators on target: 3  Number of Indicators not on target: 2  Percentage on target: 60%</p>	<p><b>Development Priority: Community Development</b>  Number of Indicators: 5  Number of Indicators on target: 3  Number of Indicators not on target: 2  Percentage on target: 60%</p>
<p><b>Development Priority: Service Delivery Excellence</b>  Number of Indicators: 17  Number of Indicators on target: 9  Number of Indicators not on target: 8  Percentage on target: 53%</p>	<p><b>Development Priority: Back to Basics - Good Governance</b>  Number of Indicators: 12  Number of Indicators on target: 7  Number of Indicators not on target: 5  Percentage on target: 58%</p>

<b>Development Priority: Sound Financial Management</b> Number of Indicators: 16 Number of Indicators on target: 7 Number of Indicators not on target: 9 Percentage on target: 44%  Total Number of Key Performance Indicators per KPA = 80 Number of Key Performance Indicators on Target/Completed = 33 Number of Key Performance Indicators Not on Target = 27 Percentage on Target = 55%	<b>Development Priority: Back to Basics - Sound Financial Management</b> Number of Indicators: 11 Number of Indicators on target: 8 Number of Indicators not on target: 3 Percentage on target: 73%  Total Number of Key Performance Indicators per KPA = 58 Number of Key Performance Indicators on Target/Completed = 34 Number of Key Performance Indicators Not on Target = 24 Percentage on Target = 59%
<b>OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP : 46%</b>	<b>OVERALL ORGANISATIONAL PERFORMANCE BASED ON SDBIP: 59%</b>

## CONCLUSION

The Dr. Beyers Naudé Local Municipality served the community greatly during the 2017/2018 financial year. This overview clearly demonstrates the commitment of the municipality to ensure that the local community has access to basic services. 59 % of projects / Key performance Indicators are on Target, however the percentage can be more, if effective project planning takes place in the beginning of the financial year. It is crucial that the SDBIP, Performance management plans and Procurement plan are adhered to by departmental heads in order for the Municipality to be on Par with what is set out in the IDP.

More attention will be placed on the performance of Local Economic development of the municipality, and many more KPI's will be added to this KPA in the 2018/2019 financial year. The municipality needs to create an enabling environment for Economic growth, Investment attraction, Enterprise development and retention.

Due to various challenges, 41% of the planned targets could not be met. As a Municipality, we will respond to these outstanding targets and will duly report on the progress made to address those targets. This progress report will be submitted to Council during January 2019 together with the Mid-year Budget and Performance Assessment Report 2018/2019.



**Dr Beyers Naudé Local Municipality**  
**Annual Financial Statements**  
**for the year ended 30 June 2018**  
**Auditor General of South Africa**

# **Dr Beyers Naude Local Municipality**

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

## **General Information**

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<b>Legal form of entity</b>	The entity functions as a local municipality, established under Paragraph 151 of the Constitution of the Republic of South Africa, 1996, as amended.
<b>Nature of business and principal activities</b>	Dr Beyers Naude Local Municipality is a South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act No. 117 of 1998). The Municipality's operations are governed by: Municipal Finance Management Act 56 of 2003, Municipal Structure Act 117 of 1998, Municipal Systems Act 32 of 2000 and various other Acts and regulations.
<b>Mayoral committee</b>	
Executive Mayor	Cllr D.W.S De Vos
Speaker	Cllr T.L. Nonnies
Executive Committee	Cllr P.W. Koeberg
	Cllr S.J. Graham
	Cllr N.P. Vanda
	Cllr E.L. Look
<b>Councillors</b>	Cllr D. Williams
	Cllr E.A. Ruiters
	Cllr W.Z. Le Grange
	Cllr A. Mboneni
	Cllr E.A. Carolus
	Cllr A. Booysen
	Cllr H. Booysen
	Cllr B.W. Seekoei
	Cllr W.J. Safers (MPAC Chairperson)
	Cllr L.M. Botha
	Cllr K. Hoffman
	Cllr X.N. Galada
	Cllr G.C. Mackelina
	Cllr T.M. Tshona
	Cllr R.B. Jacobs
	Cllr P. Bees
	Cllr L.L. Langevekt
	Cllr A. Arles
	Cllr D.J. Bezuidenhout
	Cllr E.V.R. Rossouw
	Cllr J.J. Williams
<b>Grading of local authority</b>	Grade Three (3)
<b>Accounting Officer</b>	Dr. E.M. Rankwana
<b>Chief Finance Officer (CFO)</b>	H. Kok
<b>Registered office</b>	PO Box 71 Graaff Reinett 6280
<b>Business address</b>	12 - 14 Caledon Street Graaff Reinet 6280

## **Dr Beyers Naude Local Municipality**

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

### **General Information**

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**Bankers**

First National Bank

**Auditors**

Auditor General of South Africa

**Principal Activities**

The principal activities of the municipality are:

- To provide democratic and accountable government
- To ensure sustainable service delivery to the communities
- To promote social and economic development
- To provide basic services to the community

## **Dr Beyers Naude Local Municipality**

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

### **Index**

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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<b>COID</b>	<b>Compensation for Occupational Injuries and Diseases</b>
<b>CRR</b>	<b>Capital Replacement Reserve</b>
<b>DBSA</b>	<b>Development Bank of South Africa</b>
<b>SA GAAP</b>	<b>South African Statements of Generally Accepted Accounting Practice</b>
<b>GRAP</b>	<b>Generally Recognised Accounting Practice</b>
<b>GAMAP</b>	<b>Generally Accepted Municipal Accounting Practice</b>
<b>HDF</b>	<b>Housing Development Fund</b>
<b>IAS</b>	<b>International Accounting Standards</b>
<b>CIGFARO</b>	<b>Chartered Institute of Government finance, Audit &amp; Risk officers</b>
<b>IPSAS</b>	<b>International Public Sector Accounting Standards</b>
<b>ME's</b>	<b>Municipal Entities</b>
<b>MEC</b>	<b>Member of the Executive Council</b>
<b>MFMA</b>	<b>Municipal Finance Management Act</b>
<b>MIG</b>	<b>Municipal Infrastructure Grant (Previously CMIP)</b>

## **Dr Beyers Naude Local Municipality**

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

### **Accounting Officer's Responsibilities and Approval**

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual 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 annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring 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 annual 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 2019 and, in the light of this review and the current financial position considering the amalgamation of Camdeboo Local Municipality, Ikwezi Local Municipality and Baviaans Local Municipality to form Dr Beyers Naude Local Municipality post the local elections of August 2018, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The councillors are remunerated within the upper limits of the framework envisaged in Section 219 of the Constitution, as required by the MFMA, section 124(1)(a).

The annual financial statements set out on pages 5 to 70, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2018 and were signed by him:

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**Dr E.M Rankwana**  
**Municipal Manager**



# Dr Beyers Naude Local Municipality

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

## Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
VAT receivable	3&16	2 263 501	-
Inventories	4	6 943 507	6 452 934
Other Receivables	5	4 500 627	1 838 123
Receivables from non-exchange transactions	6	5 437 406	4 719 746
Receivables from exchange Transactions	7	28 874 343	12 493 106
Cash and cash equivalents	8	1 005 761	27 454 611
		<b>49 025 145</b>	<b>52 958 520</b>
<b>Non-Current Assets</b>			
Investment property	9	67 783 409	67 783 409
Property, plant and equipment	10	1 099 664 216	1 109 428 799
Intangible assets	11	155 558	251 736
Heritage assets	12	13 452 791	13 452 791
		<b>1 181 056 974</b>	<b>1 190 916 736</b>
<b>Total Assets</b>		<b>1 230 081 119</b>	<b>1 243 875 255</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	13	-	194 770
Payables from exchange transactions	14	121 479 437	91 876 424
Payables from non-exchange transactions	15	5 211 804	3 499 144
VAT payable	16	-	213 785
Consumer deposits	17	2 996 796	2 911 084
Employee benefit obligation	20	3 199 659	1 872 024
Unspent conditional grants and receipts	18	2 535 507	26 295 463
Provisions	19	127 303	149 255
Bank overdraft	8	11 894 348	-
		<b>147 444 854</b>	<b>127 011 929</b>
<b>Non-Current Liabilities</b>			
Provisions	19	21 652 000	13 903 886
Employee benefit obligation	20	46 172 111	44 893 455
		<b>67 824 111</b>	<b>58 797 341</b>
<b>Total Liabilities</b>		<b>215 268 965</b>	<b>185 809 270</b>
<b>Net Assets</b>		<b>1 014 812 154</b>	<b>1 058 065 985</b>
Accumulated surplus		<b>1 014 812 154</b>	<b>1 058 065 985</b>

\* See Note 37

# Dr Beyers Naude Local Municipality

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

## Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	21	153 904 529	116 262 782
Agency services	22	671 174	2 088 883
Interest received	22	9 550 406	5 859 447
Interest received - investment	23	1 918 091	1 726 590
Rental of facilities and equipment	22	788 339	591 870
Licences and permits	22	865 905	1 111 422
Other income	22	3 118 956	1 903 550
Gain on disposal of assets and liabilities	22	-	3 410 489
Actuarial gains	22	3 369 656	-
<b>Total revenue from exchange transactions</b>		<b>174 188 056</b>	<b>132 956 013</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	25	31 809 377	21 625 897
<b>Transfer revenue</b>			
Fines, Penalties and Forfeits	22	78 849	184 282
Government grants & subsidies	26	170 187 176	175 675 720
<b>Total revenue from non-exchange transactions</b>		<b>202 075 402</b>	<b>197 486 699</b>
<b>Total revenue</b>	22	<b>376 263 458</b>	<b>330 440 712</b>
<b>Expenditure</b>			
Employee related costs	27	(138 171 291)	(108 123 103)
Remuneration of councillors	28	(9 324 299)	(7 367 925)
Debt Impairment	29	(5 625 674)	(36 178 449)
Depreciation and amortisation	30	(62 710 848)	(65 115 683)
Finance costs	31	(7 228 759)	(6 160 131)
Bulk purchases	32	(81 207 643)	(69 092 068)
General Expenses	33	(110 752 250)	(73 496 916)
Contracted services	34	(3 897 685)	(3 677 892)
Loss on disposal of assets and liabilities	33	(598 840)	-
Actuarial losses	33	-	(4 955 419)
<b>Total expenditure</b>		<b>(419 517 289)</b>	<b>(374 167 586)</b>
<b>Deficit for the year</b>		<b>(43 253 831)</b>	<b>(43 726 874)</b>

\* See Note 37

**Dr Beyers Naude Local Municipality**  
 (Registration number EC 101)  
 Annual Financial Statements for the year ended 30 June 2018

**Statement of Changes in Net Assets**

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	1 098 460 478	1 098 460 478
Adjustments		
Correction of errors	3 332 381	3 332 381
<b>Balance at 07 August 2016</b>	<b>1 101 792 859</b>	<b>1 101 792 859</b>
Changes in net assets		
Surplus for the year	(43 726 874)	(43 726 874)
Total changes	(43 726 874)	(43 726 874)
<b>Restated* Balance at 01 July 2017</b>	<b>1 058 065 985</b>	<b>1 058 065 985</b>
Changes in net assets		
Surplus for the year	(43 253 831)	(43 253 831)
Total changes	(43 253 831)	(43 253 831)
<b>Balance at 30 June 2018</b>	<b>1 014 812 154</b>	<b>1 014 812 154</b>
Note(s)		

\* See Note 37

**Dr Beyers Naude Local Municipality**

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

**Cash Flow Statement**

Figures in Rand	Note(s)	2018	2017 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Other receipts		8 892 879	5 880 007
Rates and Services		160 744 975	132 485 195
Government grants & services		170 187 176	175 675 720
Interest on investments		1 919 091	1 728 590
Interest income - Debtors		9 550 406	5 859 447
		<u>351 294 527</u>	<u>321 626 959</u>
<b>Payments</b>			
Employee costs		(147 495 590)	(115 491 028)
Suppliers		(181 269 679)	(116 343 986)
Finance costs		(7 228 759)	(8 160 131)
		<u>(335 994 028)</u>	<u>(237 995 145)</u>
<b>Net cash flows from operating activities</b>	<b>36</b>	<b><u>16 300 499</u></b>	<b><u>83 631 814</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(53 459 027)	(62 449 783)
Proceeds from sale of property, plant and equipment	10	10 100	3 659 821
Purchase of other intangible assets	11	-	(49 307)
<b>Net cash flows from investing activities</b>		<b><u>(53 448 927)</u></b>	<b><u>(68 839 269)</u></b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(194 770)	(307 889)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(38 343 198)</u></b>	<b><u>24 484 656</u></b>
Cash and cash equivalents at the beginning of the year		27 454 611	2 969 955
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b><u>(10 888 587)</u></b>	<b><u>27 454 611</u></b>

\* See Note 37

## Dr Beyers Naude Local Municipality

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

#### Statement of Financial Performance

##### Revenue

##### Revenue from exchange transactions

Service charges	147 288 000	7 785 000	155 081 000	153 904 529	(1 176 471)	N1
Rental of facilities and equipment	1 074 000	(291 000)	783 000	788 339	5 339	
Interest received (trading)	1 887 000	901 000	2 768 000	11 458 905	8 690 905	N2
Interest received - Investments	1 376 531	1 378 531	2 753 062	1 919 091	(833 971)	N16
Agency services	334 000	2 186 000	2 530 000	671 174	(1 858 826)	N3
Licences and permits	5 972 000	(4 556 000)	1 416 000	885 905	(560 095)	N4
Other income	1 284 000	(95 000)	1 189 000	3 118 956	1 929 956	N5
Gains on disposal of assets	6 593 000	-	6 593 000	10 100	(6 582 900)	N6
<b>Total revenue from exchange transactions</b>	<b>165 786 531</b>	<b>7 326 531</b>	<b>173 113 062</b>	<b>172 736 999</b>	<b>(376 063)</b>	

##### Revenue from non-exchange transactions

##### Taxation revenue

Property rates	43 595 000	(4 150 000)	39 445 000	31 809 377	(7 635 623)	N7
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##### Transfer revenue

Government grants & subsidies	172 189 000	15 313 000	187 512 000	170 187 176	(17 324 824)	N8
Fines, Penalties and Forfeits	100 000	(28 000)	72 000	78 849	6 849	

<b>Total revenue from non-exchange transactions</b>	<b>215 894 000</b>	<b>11 136 000</b>	<b>227 029 000</b>	<b>202 075 402</b>	<b>(24 953 598)</b>	
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<b>Total revenue</b>	<b>381 680 531</b>	<b>18 461 531</b>	<b>400 142 062</b>	<b>374 812 401</b>	<b>(25 329 661)</b>	
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##### Expenditure

Personnel	(126 434 000)	(938 000)	(127 372 000)	(138 171 291)	(10 799 291)	N9
Remuneration of councillors	(9 195 000)	(129 000)	(9 324 000)	(9 324 299)	(299)	
Depreciation and amortisation	(71 165 000)	6 000 000	(65 165 000)	(62 710 848)	2 454 152	N10
Finance costs	(328 000)	(4 970 000)	(5 298 000)	(7 228 759)	(1 930 759)	N11
Debt Impairment	(8 860 000)	(6 000 000)	(14 860 000)	(5 625 674)	9 234 326	N12
Bulk purchases	(81 837 000)	(20 163 000)	(82 000 000)	(81 207 843)	792 357	
Contracted Services	(3 563 000)	(8 047 000)	(11 610 000)	(3 897 685)	7 712 315	N13
General Expenses	(128 908 000)	4 458 000	(124 450 000)	(110 752 250)	13 697 750	N14

<b>Total expenditure</b>	<b>(410 280 000)</b>	<b>(29 789 000)</b>	<b>(440 079 000)</b>	<b>(418 918 449)</b>	<b>21 160 551</b>	
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<b>Operating deficit</b>	<b>(28 609 469)</b>	<b>(11 327 469)</b>	<b>(39 936 938)</b>	<b>(44 106 048)</b>	<b>(4 169 110)</b>	
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Actuarial gains/losses	-	-	-	3 369 656	3 369 656	N15
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<b>Deficit before taxation</b>	<b>(28 609 469)</b>	<b>(11 327 469)</b>	<b>(39 936 938)</b>	<b>(40 736 392)</b>	<b>(799 454)</b>	
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<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(28 609 469)</b>	<b>(11 327 469)</b>	<b>(39 936 938)</b>	<b>(40 736 392)</b>	<b>(799 454)</b>	
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## Dr Beyers Naude Local Municipality

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

- N1 - Higher reticulation losses than anticipated.
- N2 - Debtors outstanding for longer than anticipated.
- N3 - Willowmore test centre not operational due to staff related issues.
- N4 - Willowmore test centre not operational due to staff related issues.
- N5 - More bulk services connections & sundry income than expected.
- N6 - Transfer of sold property did not take place in this year.
- N7 - A supplementary valuation roll was anticipated for the year but was not implemented.
- N8 - RBIG Funding reduced & Withholding of grants (MIG) due differences between AFS and Sec 71 reports.
- N9 - Equalisation of salaries more than anticipated.
- N10 - Review of useful lives.
- N11 - Cash flow constraints lead to creditors not being paid within 30 days and thus accruing interest.
- N12 - Bad debt written off during the year. Debt collection increased.
- N13 - Cash Flow constraints.
- N14 - Cash flow constraints.
- N15 - No actual gains were anticipated.
- N16 - Investments were held for a shorter period than anticipated and no surplus funds were available for investments.

## **Dr Beyers Naude Local Municipality**

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

### **Accounting Policies**

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#### **1. Presentation of Annual 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.

The principal accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

##### **1.1 Presentation currency**

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality, rounded to R1.

##### **1.2 Going concern assumption**

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.

##### **1.3 Budget information**

Budget information is in accordance with GRAP 1 and 24, has been provided in the Statement of comparison of budget and actual amounts.

##### **1.4 Comparative figures**

When the presentation or classification of items in the financial statements is amended, prior year comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior years.

The nature and reasons for the reclassifications and restatements are disclosed in note 32 to the financial statements.

##### **1.5 Offsetting**

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.



## **Dr Beyers Naude Local Municipality**

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Annual Financial Statements for the year ended 30 June 2018

### **Accounting Policies**

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#### **1.6 Significant judgements and sources of estimation uncertainty**

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require material adjustment to the carrying amount of the relevant asset or liability in future period.

##### **Judgements**

In the process of applying these accounting policies, management has made the following judgement that may have a significant effect on the amounts recognised in the annual financial statements.

##### **Estimates**

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies, the following estimates were made:

##### **Provisions**

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amount that will be required in future to settle the provision, management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

##### **Pension and other 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, future salary increase, mortality rates and future medical increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### **Effective Interest rate**

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

##### **Allowance for doubtful debts**

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles, so that the effect of any impairment on a group of receivables would not differ materially from the impairment, that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance the estimates are made about probability of recovery of the debtors based on their past payment history and risk profile.

##### **Provision for rehabilitation of refuse landfill sites**

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the size/ extent of the land to be rehabilitated, the rehabilitation cost per square meter, the monitoring cost per square meter, and the rehabilitation period. Current costs are projected using the average rate of inflation over the remaining period until rehabilitation, and the discounted to their present value using an appropriate discount rate, representing the time value of money.

## **Dr Beyers Naude Local Municipality**

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

### **Accounting Policies**

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#### **1.6 Significant judgements and sources of estimation uncertainty (continued)**

##### **Depreciation and amortisation**

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's current condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

##### **Inventory**

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir.

The value of water inventory is calculated by considering the quantity of water in the pipes and is estimated based on the dimensions/ measurements of the pipes and the average cost per KL.

#### **1.7 Investment property**

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note ).

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

## Dr Beyers Naude Local Municipality

(Registration number EC 101)

Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1.8 Property, plant and equipment

##### Initial recognition

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

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

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

Property, plant and equipment is initially measured at cost.

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

Where an asset is acquired through a non-exchange transaction, its cost is its 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.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

##### Subsequent measurement

Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, which is not depreciated as it is deemed to have an indefinite useful life.

##### Subsequent expenditure

Where the municipality replaces part of an asset, it derecognises that part of the asset being replaced and capitalises the new component.

##### Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Components that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value.

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

Item	Depreciation method	Average useful life
Land	None	Indefinite
Buildings	Straight line	25 - 30 years
Infrastructure		
• Roads and paving	Straight line	25 - 80 years
• Water	Straight line	8 - 100 years
• Electricity	Straight line	3 - 80 years
• Sewerage	Straight line	10 - 60 years
• Landfill sites	Straight line	10 - 55 years
Community		
• Recreational facilities	Straight line	20-50 years

# Dr Beyers Naude Local Municipality

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Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.8 Property, plant and equipment (continued)

Other property, plant and equipment

• Specialised vehicles	Straight line	3 - 5 years
• Other vehicles	Straight line	3 - 15 years
• Office equipment	Straight line	3 - 15 years
• Furniture and Fittings	Straight line	3 - 15 years
• Airports	Straight line	10 - 30 years
• Computer equipments	Straight line	3 - 10 years
• Cemeteries	Straight line	25 - 30 years

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

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

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

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

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

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

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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

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

### 1.9 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.

## Dr Beyers Naude Local Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1.9 Intangible assets (continued)

An intangible asset is recognised when:

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

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

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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:

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Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 years

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

#### 1.10 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.

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 uncollectibility.

## **Dr Beyers Naude Local Municipality**

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Annual Financial Statements for the year ended 30 June 2018

### **Accounting Policies**

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#### **1.10 Financial Instruments (continued)**

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

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

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

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

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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, an entity 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 (see the Standard of GRAP on Revenue from Exchange Transactions), 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 entity 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 entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

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 entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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 an entity 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.

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#### **1.10 Financial Instruments (continued)**

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.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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 entity had not acquired, issued or disposed of the financial instrument.

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

- the entity 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.

#### **1.11 Inventories**

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality 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.

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#### **1.11 Inventories (continued)**

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 formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, 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 Employee benefits**

##### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

##### **Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

##### **Other post retirement obligations**

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

#### **1.13 Provisions and contingencies**

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.



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#### **1.13 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.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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

Provisions are not recognised for future operating surplus (deficit).

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

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 49.

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.

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

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and

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#### 1.13 Provisions and contingencies (continued)

- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

#### 1.14 Revenue from exchange transactions

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

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

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.

##### Measurement

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

##### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 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.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

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#### **1.15 Revenue from non-exchange transactions**

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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

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.

#### **Measurement**

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

#### **Rates, including collection charges and penalties interest**

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

#### **Fines**

Revenue from the issuing of fines 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.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

#### **Government grants**

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

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#### **1.16 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.

#### **1.17 Unauthorised expenditure**

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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.

#### **1.18 Fruitless and wasteful expenditure**

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

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

#### **1.19 Irregular expenditure**

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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#### **1.19 Irregular expenditure (continued)**

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 economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.20 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.

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 annual financial statements.

#### **1.21 Heritage assets**

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

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.

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.

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#### **1.21 Heritage assets (continued)**

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note ).

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

#### **1.22 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**

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#### **1.22 Statutory receivables (continued)**

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.

#### **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.

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.

#### **1.23 Commitments**

Items are classified as commitments when an entity 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.

#### **1.24 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.

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#### **1.24 Leases (continued)**

##### **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 implicit in the lease..

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.

Any contingent rents are expensed in the period in which they are incurred.

##### **Operating leases - lessor**

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

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.

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

Income for leases is disclosed under revenue in 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.

#### **1.25 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.



## **Dr Beyers Naude Local Municipality**

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Annual Financial Statements for the year ended 30 June 2018

### **Accounting Policies**

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#### **1.26 Mergers**

##### **Definitions**

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

Combined municipality is a new reporting entity formed from the combination of two or more entities.

Combining entities are the entities that are combined for the mutual sharing of risks and benefits in a merger.

Control is the power to govern the financial and operating policies of another municipality so as to benefit from its activities.

A merger is the establishment of a new combined municipality in which none of the former entities obtain control over any other and no acquirer can be identified.

Merger date is the date on which entities are combined for the mutual sharing of risks and benefits and when the assets and liabilities are transferred to the combined municipality.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another municipality.

A merger is the establishment of a new combined municipality in which none of the former entities obtains control over any other and no acquirer can be identified. As no acquirer can be identified, a merger does not result in an municipality having or obtaining control over any of the entities that are involved in the transaction or event, as the combining entities are not controlled entities of each other, either before or after the merger.

The Standard of GRAP on Mergers allows for a two year measurement period from merger date. Where the accounting of merger items are incomplete at the reporting period, provisional amounts are recorded in the financial statements.

Assets acquired and liabilities assumed in the merger are subsequently measured in accordance with the applicable Standards of GRAP applied by the municipality.

##### **Transitional Provisions**

The Standard of GRAP on Merger allows for a two year measurement period from merger date. Where the accounting of merger items are incomplete at the reporting period, provisional amounts are recorded in the annual financial statements. The Municipality resolved to take advantage of the transitional provisions on GRAP 107 and disclosed the following sections using provisional amounts in the annual financial statements: Trade debtors, VAT payable/receivable and Irregular expenditure. This is due to the fact that new information regarding take-on balances became available to the municipality. On the 6 August financial statements, only Ikwezi municipality had a disclaimer opinion, therefore this was one of the contributing factors at take-on that resulted in the balances being incomplete as Ikwezi had poor records keeping process.

#### **1.27 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.

## **Dr Beyers Naude Local Municipality**

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### **Accounting Policies**

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#### **1.27 Impairment of cash-generating assets (continued)**

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.

#### **Designation**

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

#### **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.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### **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.

## **Dr Beyers Naude Local Municipality**

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### **Accounting Policies**

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#### **1.27 Impairment of cash-generating assets (continued)**

##### **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. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, 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; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

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

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

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

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

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

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

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

# Dr Beyers Naude Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand

2018

2017

### 2. New standards and Interpretations

#### 2.1 Standards and Interpretations issued, but not yet effective

The following Standards of GRAP and / or amendments thereto have been issued by the Accounting Standards Boards, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The entity has not early-adopted any of these new Standards or amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

##### 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 not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual 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 not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

##### 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 not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

## **Dr Beyers Naude Local Municipality**

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Annual Financial Statements for the year ended 30 June 2018

### **Notes to the Annual Financial Statements**

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#### **2. New standards and interpretations (continued)**

##### **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 not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual 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 not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

##### **GRAP 18 (as amended 2016): Segment Reporting**

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 amendment is for years beginning on or after 01 April 2019

The municipality expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

##### **GRAP 20: Related parties**

The objective of this standard is to ensure that a reporting entity's annual 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.

## Dr Beyers Naude Local Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

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#### 2. New standards and interpretations (continued)

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 annual 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.
- 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 not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### GRAP 32: Service Concession Arrangements: Grantor

## **Dr Beyers Naude Local Municipality**

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Annual Financial Statements for the year ended 30 June 2018

### **Notes to the Annual Financial Statements**

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#### **2. New standards and Interpretations (continued)**

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 not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **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 is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **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 standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>3. VAT receivable</b>		
VAT	2 263 501	
Transitional Provision - GRAP 107: The municipality has opted to take advantage of the transitional provisions contained in GRAP 107 relating to the measurement of VAT receivables. The municipality is granted a 2 year measurement period commencing on merger date to ensure compliance with the relevant GRAP standards. Therefore the above amounts have been recorded as provisional amounts.		
<b>4. Inventories</b>		
Water	1 127 120	991 020
Unsold Properties Held for Resale	1 514 822	1 519 822
Consumable stores	4 301 585	3 942 092
	<b>6 943 507</b>	<b>6 452 934</b>
<b>5. Other Receivables</b>		
Sundry debtors	1 235 316	25 049
Meter readings not yet billed	3 265 311	1 813 074
	<b>4 500 627</b>	<b>1 838 123</b>
<b>6. Receivables from non-exchange transactions</b>		
Sundry debtors	46 320	780 828
Deposits paid	290 900	250 900
Consumer debtors - Rates	5 100 186	3 688 018
	<b>5 437 406</b>	<b>4 719 746</b>
<b>Gross balances</b>		
Rates	16 071 271	24 124 514
Less: Allowance for impairment	(10 971 085)	(20 438 496)
<b>Net balance</b>	<b>5 100 186</b>	<b>3 688 018</b>
<b>Ageing</b>		
Current (0-30 days)	888 303	559 690
31 - 60 days	276 652	230 451
61 - 90 days	238 180	341 981
91 - 120 days	205 384	159 600
121 - 365	14 462 752	22 832 792
	<b>16 071 271</b>	<b>24 124 514</b>



## Dr Beyers Naude Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>6. Receivables from non-exchange transactions (continued)</b>		
<b>Summary of debtors by customers classification</b>		
<b>Consumers</b>		
Current (0 - 30 days)	776 319	663 848
31 - 60 days	125 225	155 586
61 - 90 days	110 143	288 979
91 - 120 days	103 950	113 153
121 - 365 days	5 003 863	14 301 726
	<b>6 119 300</b>	<b>15 523 292</b>
<b>Industrial/ commercial</b>		
Current (0 - 30 days)	346 840	229 618
31 - 60 days	84 897	74 865
61 - 90 days	83 524	53 002
91 - 120 days	78 380	48 447
121 - 365	6 157 710	4 648 782
	<b>6 751 351</b>	<b>5 062 714</b>
<b>National and provincial government</b>		
Current (0 - 30 days)	44 794	(333 777)
31 - 60 days	28 059	-
61 - 90 days	11 717	-
91 - 120 days	10 336	-
121 - 365	3 108 714	3 882 284
	<b>3 203 620</b>	<b>3 548 507</b>
<b>Total</b>		
Current (0 - 30 days)	1 167 953	559 690
31 - 60 days	235 181	230 451
61 - 90 days	205 384	341 981
91 - 120 days	192 666	159 600
121 - 365 days	14 270 087	22 832 792
	<b>16 071 271</b>	<b>24 124 514</b>
<b>Total debtors past due but not impaired</b>		
61 - 91 days	97 784	62 409
91 - 120 days	55 262	33 928
121 - 365 days	4 066 819	4 056 859
<b>Reconciliation of allowance for impairment</b>		
Opening balance	(20 436 496)	(38 267 571)
Contribution to allowance	(2 432 856)	17 831 075
Debt impairment written off against allowance	11 898 267	-
	<b>(10 971 085)</b>	<b>(20 436 496)</b>

**Dr Beyers Naude Local Municipality**

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**Notes to the Annual Financial Statements**

Figures in Rand	2018	2017
<b>7. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	8 014 102	13 435 254
Water	14 980 280	48 493 290
Sewerage	8 899 896	24 248 161
Refuse	7 820 982	15 874 402
Housing	204 005	2 412 279
Sundry	2 677 583	3 438 919
	<b>42 576 848</b>	<b>107 902 305</b>
<b>Less: Allowance for impairment</b>		
Electricity	(1 532 916)	(5 060 170)
Water	(8 667 939)	(46 956 698)
Sewerage	(3 581 351)	(22 989 976)
Refuse	(4 036 099)	(15 090 406)
Housing	197 645	(2 417 951)
Sundry	3 928 155	(2 894 000)
	<b>(13 702 605)</b>	<b>(95 409 199)</b>
<b>Net balance</b>		
Electricity	6 481 186	8 375 084
Water	6 292 341	1 536 594
Sewerage	5 308 545	1 258 185
Refuse	3 784 883	783 996
Housing	401 650	(5 672)
Sundry	6 605 738	544 919
	<b>28 874 343</b>	<b>12 493 106</b>
<b>Electricity</b>		
Current (0 -30 days)	4 841 074	6 294 155
31 - 60 days	720 445	588 160
61 - 90 days	178 786	382 278
91 - 120 days	184 777	304 020
121 - 365 days	2 105 082	5 896 841
	<b>8 010 164</b>	<b>13 435 254</b>
<b>Water</b>		
Current (0 -30 days)	1 829 587	2 436 340
31 - 60 days	1 206 454	1 224 825
61 - 90 days	914 319	1 292 360
91 - 120 days	904 956	1 122 838
121 - 365 days	10 104 986	42 416 927
	<b>14 960 282</b>	<b>48 493 290</b>
<b>Sewerage</b>		
Current (0 -30 days)	587 941	1 075 285
31 - 60 days	370 475	389 052
61 - 90 days	295 327	356 640
91 - 120 days	270 859	322 377
121 - 365 days	5 571 949	22 104 807
	<b>7 096 551</b>	<b>24 248 161</b>

## Dr Beyers Naude Local Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>7. Receivables from exchange transactions (continued)</b>		
<b>Refuse</b>		
Current (0 -30 days)	614 756	1 311 059
31 - 60 days	462 472	275 903
61 - 90 days	413 462	263 187
91 - 120 days	396 141	258 453
121 - 365 days	5 934 151	13 765 800
	<b>7 820 982</b>	<b>15 874 402</b>
<b>Housing rental</b>		
Current (0 -30 days)		(2 614)
91 - 120 days		6
121 - 365 days	204 005	2 423 616
	<b>204 005</b>	<b>2 421 008</b>
<b>Sundry</b>		
Current (0 -30 days)	111 786	(828 874)
31 - 60 days	71 728	50 243
61 - 90 days	37 421	46 349
91 - 120 days	80 822	53 490
121 - 365 days	2 399 766	4 117 711
	<b>2 681 521</b>	<b>3 438 919</b>

## Dr Beyers Naude Local Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>7. Receivables from exchange transactions (continued)</b>		
<b>Summary of debtors by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	2 934 775	7 638 844
31 - 60 days	2 109 738	1 933 184
61 - 90 days	1 726 844	2 128 108
91 - 120 days	1 699 730	1 826 035
121 - 365 days	25 299 630	96 611 096
	<b>33 770 717</b>	<b>110 137 267</b>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	3 201 956	4 486 959
31 - 60 days	350 081	257 700
61 - 90 days	200 472	219 847
91 - 120 days	228 716	222 118
121 - 365 days	5 893 187	7 420 646
	<b>9 872 392</b>	<b>12 607 268</b>
<b>National and provincial government</b>		
Current (0 -30 days)	874 472	1 829 098
31 - 60 days	734 375	547 750
61 - 90 days	220 709	334 840
91 - 120 days	145 178	172 833
121 - 365 days	6 250 430	6 450 431
	<b>8 225 164</b>	<b>9 334 952</b>
<b>Total</b>		
Current (0 -30 days)	8 080 140	13 395 211
31 - 60 days	2 917 521	2 508 183
61 - 90 days	1 909 845	2 340 814
91 - 120 days	1 866 240	2 061 383
121 - 365 days	27 803 101	87 596 712
	42 576 847	107 902 303
Less: Allowance for impairment	(13 702 504)	(95 409 197)
	<b>28 874 343</b>	<b>12 493 106</b>
<b>Less: Allowance for Impairment</b>		
Allowance for impairment	(13 702 505)	(95 409 199)
<b>Total debtor past due but not impaired</b>		
61 - 90 days	1 179 988	717 356
91 - 120 days	1 053 772	447 090
121 - 365 days	11 208 282	3 312 704
	<b>13 442 042</b>	<b>4 477 150</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(95 409 199)	(78 495 693)
Contributions to allowance	(58 834)	(16 913 506)
Debt impairment written off against allowance	81 765 528	-
	<b>(13 702 505)</b>	<b>(95 409 199)</b>

# Dr Beyers Naude Local Municipality

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### 7. Receivables from exchange transactions (continued)

#### Transitional Provision - GRAP 107

The municipality has opted to take advantage of the transitional provisions contained in GRAP 107 relating to the measurement of Receivables from exchange transactions. The municipality is granted a 2 year measurement period commencing on merger date to ensure compliance with the relevant GRAP standards. Therefore the above amounts have been recorded as provisional amounts.

### 8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 955	2 955
Bank balances	-	2 909 525
Short-term deposits	1 002 806	24 542 131
Bank overdraft	(11 894 348)	-
	<b>(10 888 587)</b>	<b>27 454 611</b>
Current assets	1 005 761	27 454 611
Current liabilities	(11 894 348)	-
	<b>(10 888 587)</b>	<b>27 454 611</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
FNB - 52300007898	470 081	3 074 334	(11 894 348)	2 909 525
ABSA - 4053048940	81 823	1 249 609	-	-
ABSA - Cheque Account - 4053623514	239 703	566 111	-	-
ABSA - Cheque Account - 4053099797	-	34 256	-	-
Standard Bank - Cheque Account - 280252013	47 709	1 168 895	-	-
Standard Bank - Cheque Account - 280230893	19 220	536 341	-	-
ABSA Investments - 8257114251	23 075	22 063	23 705	22 063
FNB Investments - 82374218503	-	23 516 102	90 388	23 516 133
FNB Investments - 74374220066	972 270	910 609	972 270	910 609
Investec - 1100458805501	-	2 983	2 938	2 938
Standard bank - Trust Fund - 3/288885537/001	-	9 002	(86 494)	9 002
Standard Bank - Money Market - 288865316-1	-	1 471	-	1 471
Standard Bank - Money Market - 288865316-2	-	4 334	-	4 334
Standard Bank - Money Market - 288865316-3	-	1 299	-	1 299
Standard Bank - Money Market - 288865316-4	-	25 104	-	25 104
Standard Bank - Money Market - 288865316-5	-	49 178	-	49 178
<b>Total</b>	<b>1 853 891</b>	<b>31 170 791</b>	<b>(10 891 541)</b>	<b>27 451 656</b>

### 9. Investment property

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	67 783 409	-	67 783 409	67 783 409	-	67 783 409

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#### 9. Investment property (continued)

##### Reconciliation of investment property - 2018

	Opening balance	Total
Investment property	67 783 409	67 783 409

##### Reconciliation of investment property - 2017

	Transferred during merger	Total
Investment property	67 783 409	67 783 409

Fair value of investment properties	67 783 409	67 783 409
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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.

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.

All of the Municipality's investment property is held under freehold interest and no investment property has been pledged as security for any liabilities of the municipality. There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal. There are no contractual obligations on investment property.

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### 10. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	119 097 959	-	119 097 959	119 097 959	-	119 097 959
Buildings	50 069 491	(5 299 029)	44 770 462	50 069 491	(2 676 831)	47 392 660
Infrastructure	920 120 287	(112 323 987)	807 796 300	882 455 528	(56 954 905)	825 500 623
Community	11 470 802	(1 002 311)	10 468 491	11 470 802	(575 510)	10 895 292
Work-in-progress	88 068 952	-	88 068 952	82 745 895	-	82 745 895
Landfill sites	14 969 033	(927 515)	14 041 518	6 776 355	(367 888)	6 408 467
Leased and other assets	22 889 105	(7 468 571)	15 420 534	21 789 807	(4 381 904)	17 387 903
<b>Total</b>	<b>1 226 685 629</b>	<b>(127 021 413)</b>	<b>1 099 664 216</b>	<b>1 174 385 837</b>	<b>(64 957 038)</b>	<b>1 109 428 799</b>

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Additions through transfers from WIP	Depreciation	Total
Land	119 097 959	-	-	-	-	119 097 959
Buildings	47 392 660	-	-	-	(2 622 198)	44 770 462
Infrastructure	825 500 623	15 110 104	(608 940)	23 713 890	(55 919 377)	807 796 300
Community	10 895 292	-	-	-	(426 801)	10 468 491
Work-in-progress	82 745 895	31 432 648	-	(26 109 591)	-	88 068 952
Landfill sites	6 408 467	5 796 977	-	2 395 701	(559 627)	14 041 518
Leased and other assets	17 387 903	1 119 298	-	-	(3 086 667)	15 420 534
<b>Total</b>	<b>1 109 428 799</b>	<b>53 459 027</b>	<b>(608 940)</b>	<b>-</b>	<b>(62 614 670)</b>	<b>1 099 664 216</b>

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	119 097 959	-	-	-	-	119 097 959
Buildings	50 069 491	-	-	-	(2 676 831)	47 392 660
Infrastructure	883 877 969	11 382 002	(85 785)	7 315 053	(56 988 616)	825 500 623
Community	11 470 802	-	-	-	(575 510)	10 895 292
Work-in-progress	39 473 057	50 587 891	-	(7 315 053)	-	82 745 895
Landfill sites	6 776 355	-	-	-	(367 888)	6 408 467
Leased and other assets	21 381 291	446 393	(57 876)	-	(4 381 905)	17 387 903
<b>Total</b>	<b>1 112 146 924</b>	<b>62 416 286</b>	<b>(143 661)</b>	<b>-</b>	<b>(64 990 750)</b>	<b>1 109 428 799</b>

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.

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**11. Intangible assets**

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	362 583	(207 005)	155 558	362 583	(110 827)	251 736

**Reconciliation of Intangible assets - 2018**

	Opening balance	Amortisation	Total
Computer software	251 736	(96 178)	155 558

**Reconciliation of Intangible assets - 2017**

	Transferred during merger	Additions	Amortisation	Total
Computer software	313 255	49 307	(110 826)	251 736

**12. Heritage assets**

	2018			2017		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical buildings	13 452 791	-	13 452 791	13 452 791	-	13 452 791

**Reconciliation of heritage assets 2018**

	Opening balance	Total
Historical buildings	13 452 791	13 452 791

**Reconciliation of heritage assets 2017**

	Transferred during merger	Total
Historical buildings	13 452 791	13 452 791



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<b>13. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	-	201 259
	-	201 259
less: future finance charges	-	(6 489)
<b>Present value of minimum lease payments</b>	-	<b>194 770</b>
<b>Present value of minimum lease payments due</b>		
- within one year	-	194 770
The average lease term was 5 years and the average effective borrowing rate ranges between prime and prime less 1.5 -% (2017: Ranges between prime and prime less 1.5 -%).		
The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.		
<b>14. Payables from exchange transactions</b>		
Trade payables and other accruals	104 465 673	78 820 301
Payments received in advanced	453 729	675 018
Retentions	26 267	26 267
Leave pay	9 399 976	6 917 408
Bonus accrual	4 225 388	3 373 789
Other payables	333 851	28
Salaries control	(74 327)	(290 012)
Debtors with credit balances	2 639 676	2 346 798
Stale cheques	9 204	6 627
	<b>121 479 437</b>	<b>91 876 424</b>
Transitional Provision - GRAP 107: The municipality has opted to take advantage of the transitional provisions contained in GRAP 107 relating to the measurement of Trade payables.. The municipality is granted a 2 year measurement period commencing on merger date to ensure compliance with the relevant GRAP standards. Therefore the above amounts have been recorded as provisional amounts.		
<b>15. Payables from non-exchange transactions</b>		
Unallocated receipts	3 254 564	2 780 017
Debtors with credit balances	1 957 240	719 127
	<b>5 211 804</b>	<b>3 499 144</b>
<b>16. VAT payables</b>		
VAT	-	213 785
Transitional Provision - GRAP 107: The municipality has opted to take advantage of the transitional provisions contained in GRAP 107 relating to the measurement of VAT payables. The municipality is granted a 2 year measurement period commencing on merger date to ensure compliance with the relevant GRAP standards. Therefore the above amounts have been recorded as provisional amounts.		
<b>17. Consumer deposits</b>		
Electricity	1 985 943	1 932 415
Water	1 010 853	978 649
	<b>2 996 796</b>	<b>2 911 064</b>

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#### 17. Consumer deposits (continued)

No interest accrues on consumer deposits as Dr Beyers Naude Local Municipality is not a deposit taking entity in terms of the banking Act.

#### 18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

##### Unspent conditional grants and receipts

Municipal Infrastructure Grant - DORA		15 226 243
Energy Efficiency Demand Management System Grant - DORA	-	1 189 839
Rapid Response - DWA	498 615	498 615
Integrated National Electrification Grant - DORA	-	4 926 331
Expanded Public Works Programme Integrated Grant - DORA	-	1 564 933
Department of Water Affairs Grant	888 109	888 109
LED Grant - Fonteinbos Project	295 463	1 148 073
Lotto Grant	653 320	653 320
Water and Sanitation	200 000	200 000
	<b>2 535 507</b>	<b>26 295 463</b>

##### Movement during the year

Transferred during merger	26 295 463	13 846 841
Received during the year	136 005 728	189 208 599
Income recognition during the year	(159 765 684)	(176 757 777)
	<b>2 535 507</b>	<b>26 295 463</b>

Amounts withheld and clawed back by National Treasury during the 2018 financial period amount to R12 740 000.

See note for reconciliation of grants from National/Provincial Government.

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#### 19. Provisions

##### Reconciliation of provisions - 2018

	Opening Balance	Additions	Reduction due to re- measurement or settlement without cost to entity	Total
Legal proceedings	149 255	-	(21 952)	127 303
Rehabilitation of Landfill sites	13 903 886	7 748 114	-	21 652 000
	<b>14 053 141</b>	<b>7 748 114</b>	<b>(21 952)</b>	<b>21 779 303</b>

##### Reconciliation of provisions - 2017

	Transferred during merger	Additions	Reduction due to re- measurement or settlement without cost to entity	Total
Rehabilitation of landfill sites	12 789 308	1 114 578	-	13 903 886
Legal proceedings	180 000	-	(30 745)	149 255
	<b>12 969 308</b>	<b>1 114 578</b>	<b>(30 745)</b>	<b>14 053 141</b>
Non-current liabilities			21 652 000	13 903 886
Current liabilities			127 303	149 255
			<b>21 779 303</b>	<b>14 053 141</b>

#### Legal proceedings provisions

A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits or service potential.

An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph .61.

The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

#### Rehabilitation of landfill sites

The obligation for the environmental rehabilitation results from the onus imposed by the Environmental Conservation Act no.73 of 1989 to rehabilitate landfill sites after use. The sites are expected to be closed in 2018, after which rehabilitation will take place over the course of the next 9 to 10 years after which the site is expected to be fully rehabilitated. The following assumption were used when calculating the provision for landfill Site rehabilitation:

- The CPIX was used to adjust the cost as it is the only determining factor year on year.

The landfill sites are nearing the end of their useful lives, the ground and ground water on the entire site are thus considered to be contaminated and not just the portion in use, i.e. the provision provides for the cost of rehabilitating the entire site and not just the portion used up to financial year end. The entire site would need to be rehabilitated due to waste distributed across the entire site over the years since opening thereof. Thus, as provided in GRAP 19 where it states that the provision should only be raised to the extent that the costs would need to be incurred, it is considered that the full cost of rehabilitation would need to be incurred to rehabilitate the sites.

The municipality does not have licences for the landfills therefore the sites will need to be rehabilitated in their entirety.

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#### 20. Employee benefit obligations

##### Defined benefit plan

The plan is a post employment medical benefit plan.

##### Post retirement medical aid plan

The amounts recognised in the statement of financial position are as follows:

##### Carrying value

Present value of the defined benefit obligation-wholly unfunded	(39 690 087)	(37 582 734)
Present value of long service award	(9 681 683)	(9 182 745)
	<b>(49 371 770)</b>	<b>(46 765 479)</b>

##### Non-current liabilities

Current liabilities	(46 172 111)	(44 893 455)
	<b>(3 199 659)</b>	<b>(1 872 024)</b>
	<b>(49 371 770)</b>	<b>(46 765 479)</b>

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(46 765 479)	-
Transferred during merger	-	(38 044 942)
Benefits paid	1 428 860	1 904 651
Net expense recognised in the statement of financial performance	(4 035 151)	(10 625 188)
	<b>(49 371 770)</b>	<b>(46 765 479)</b>

##### Net expense recognised in the statement of financial performance

Current service cost	(2 848 006)	(2 247 332)
Interest cost	(4 556 801)	(3 422 437)
Actuarial (gains) losses	3 369 656	(4 955 419)
	<b>(4 035 151)</b>	<b>(10 625 188)</b>

##### Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9,81 %	9,92 %
Consumer price inflation	6,14 %	6,78 %
Health care cost inflation	7,64 %	8,28 %
Net discount rate	2,02 %	1,51 %

The PA 90-2 post-retirement mortality table used for pensioners and SA85-90 (Normal) for active employees.

Average age of Continuation pensioners as at 30 June 2018 was 70.91, with an average employer monthly contribution of R3,265.

Number of active employees: 224

Average age of active employees as at 30 June 2018 was 42.98, with an average employer monthly contribution of R2.808.

## Dr Beyers Naude Local Municipality

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#### 20. Employee benefit obligations (continued)

##### History of liabilities, assets and experience adjustments

Amounts for the current and previous four years are as follows:

	2018 R	2017 R	2016 R	2015 R	2014 R
Defined benefit obligation	9 681 683	9 182 745	7 574 241	-	-
Surplus (deficit)	(9 681 683)	(9 182 745)	(7 574 241)	-	-

##### Defined contribution plan

The obligation in respect of medical care contributions for retirement benefits is valued every year by independent qualified actuaries. The last actuarial valuation was performed on 30 June 2018 by One Pangaea Financial using the Projected Unit Credit Method.

#### 21. Service charges

Sale of electricity	99 389 627	85 747 062
Sale of water	26 572 899	24 228 251
Solid waste	3 122 525	1 081 652
Sewerage and sanitation charges	12 557 944	2 030 046
Refuse removal	12 261 734	3 175 771
	<b>153 904 529</b>	<b>116 262 782</b>

#### 22. Revenue

Service charges	153 904 529	116 262 782
Rental of facilities and equipment	788 339	591 870
Interest received	9 550 406	5 859 447
Agency services	671 174	2 088 883
Licences and permits	865 905	1 111 422
Other income	3 118 956	1 903 550
Gain on disposal of assets	-	3 410 469
Interest received - investment	1 919 091	1 726 590
Property rates	31 809 377	21 625 697
Government grants & subsidies	170 187 176	175 675 720
Fines, Penalties and Forfeits	78 849	184 282
Actuarial gain	3 369 656	-
	<b>376 263 458</b>	<b>330 440 712</b>

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	153 904 529	116 262 782
Rental of facilities and equipment	788 339	591 870
Interest received	9 550 406	5 859 447
Agency services	671 174	2 088 883
Licences and permits	865 905	1 111 422
Other income	3 118 956	1 903 550
Actuarial gain	3 369 656	-
Gain on disposal of assets	-	3 410 469
Interest received - investment	1 919 091	1 726 590
	<b>174 188 056</b>	<b>132 956 013</b>

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<b>22. Revenue (continued)</b>		
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	31 809 377	21 625 697
Transfer revenue		
Government grants & subsidies	170 187 176	175 675 720
Fines, Penalties and Forfeits	78 849	184 282
	<b>202 075 402</b>	<b>197 485 699</b>
<b>23. Investment revenue</b>		
Interest revenue		
Bank	1 919 091	1 726 590
<b>24. Other Income</b>		
Other income	3 118 956	1 903 550
<b>25. Property rates</b>		
Rates received		
Residential	19 447 736	13 360 495
Commercial	648 115	195 118
State	6 390 233	4 648 421
Small holdings and farms	5 325 293	3 421 663
	<b>31 809 377</b>	<b>21 625 697</b>
<b>Valuations</b>		
Residential	1 817 633 600	1 817 633 600
Commercial	502 663 854	502 663 854
State	435 866 400	435 866 400
Municipal	208 595 200	208 595 200
Small holdings and farms	4 883 512 900	4 883 512 900
Exempt	148 919 246	148 919 246
Industrial	52 352 000	52 352 000
Multiple	15 080 700	15 080 700
	<b>8 063 623 900</b>	<b>8 063 623 900</b>

The Dr Beyers Naude Local Municipality has been established in terms of section 12 of the local Government Municipal structures act of 199 (Act 117 of 1998), Government Gazette No.3717. Section 7 relating to the Valuation and Supplementary rolls states that the newly established municipality must continue to apply the valuation roll, supplementary roll, property rates policy, property rates By-laws and property rates tariffs that were in force in the former areas of the merging municipalities until it adopts a new general valuation roll in terms of section 30 of the Local Government Municipality Property Act, 2004 (Act 6 of 2004)..

The new general valuation will be implemented on 01 July 2019.

## Dr Beyers Naude Local Municipality

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### Notes to the Annual Financial Statements

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<b>26. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	77 494 000	70 201 000
Cacadu - Fire Grant	925 500	1 665 000
Demarcation Grant	6 847 000	23 143 000
Department of Health Grant	1 207 547	1 207 547
Department of Human Settlements Grant	293 188	727 642
Department of Water Affairs Grant	468 000	2 158 526
DSRAC Libraries Grant	2 258 000	2 258 000
EPWP Integrated Grant	1 147 933	1 536 067
Financial Management Grant	5 945 000	5 460 000
Local Economic Development Grant - Fonteinbos	-	375 877
Sarah Baartman District Municipality - Operational Led & Tourism Grant	200 000	163 007
SETA Training Grant	344 554	144 665
Environmental affairs grant	2 554 000	-
Municipal Management Financial support Grant	1 085 000	-
Transitional Grant	4 000 000	-
1% AG Grant	6 700 492	-
COGTA - Eskom Grant	3 721 000	-
	<b>116 191 194</b>	<b>109 040 331</b>
<b>Capital grants</b>		
Municipal Infrastructure Grant	27 388 243	22 396 757
Integrated National Electrification Grant	10 916 171	1 883 829
Regional Bulk Infrastructure Grant	16 691 568	42 354 803
	<b>54 995 982</b>	<b>66 635 389</b>
	<b>170 187 176</b>	<b>175 675 720</b>
<b>Equitable Share</b>		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
<b>Municipal Infrastructure Grant</b>		
Balance unspent at beginning of year	15 226 243	-
Transferred during merger	-	8 441 629
Current-year receipts	20 902 000	37 623 000
Conditions met - transferred to revenue	(27 388 243)	(22 384 291)
Amounts withheld and clawed back by National Treasury	(8 740 000)	(8 454 095)
	<b>-</b>	<b>15 226 243</b>
Conditions still to be met - remain liabilities (see note 18).		
The municipality upgraded streets, stormwater, bulk water, high mast lighting and waste water treatment works during the current financial year.		
<b>EEDMS - Energy Efficiency Demand Management System Grant</b>		
Balance unspent at beginning of year	1 189 839	-
Current-year receipts	-	3 000 000
Conditions met - transferred to revenue	(1 189 839)	(1 810 161)
	<b>-</b>	<b>1 189 839</b>
Conditions still to be met - remain liabilities (see note 18).		

## Dr Beyers Naude Local Municipality

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<b>28. Government grants and subsidies (continued)</b>		
<b>Rapid Response Grant - DWA</b>		
Balance unspent at beginning of year	498 615	-
Transferred during merger	-	498 615
	<b>498 615</b>	<b>498 615</b>
Conditions still to be met - remain liabilities (see note 18).		
<b>DSRAC Libraries Grant</b>		
Current-year receipts	2 258 000	2 258 000
Conditions met - transferred to revenue	(2 258 000)	(2 258 000)
	<b>-</b>	<b>-</b>
<b>Department of Health Grant</b>		
Current-year receipts	1 207 547	1 207 547
Conditions met - transferred to revenue	(1 207 547)	(1 207 547)
	<b>-</b>	<b>-</b>
<b>Department of Human Settlements Grant</b>		
Current-year receipts	293 168	727 642
Conditions met - transferred to revenue	(293 168)	(727 642)
	<b>-</b>	<b>-</b>
<b>Regional Bulk Infrastructure Grant</b>		
Current-year receipts	16 691 568	42 354 802
Conditions met - transferred to revenue	(16 691 568)	(42 354 802)
	<b>-</b>	<b>-</b>
<b>SETA Training Grant</b>		
Current-year receipts	344 554	144 665
Conditions met - transferred to revenue	(344 554)	(144 665)
	<b>-</b>	<b>-</b>
<b>Financa Management Grant</b>		
Balance unspent at beginning of year	-	965 000
Current-year receipts	5 945 000	5 460 000
Conditions met - transferred to revenue	(5 945 000)	(5 460 000)
Amount withheld and clawed back by National Treasury	-	(965 000)
	<b>-</b>	<b>-</b>

The municipality utilised the grant for the employment of Financial Interns, training in line with competencies and the compilation of annual financial statements, audit improvement and mSCOA implementations.



## Dr Beyers Naude Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>26. Government grants and subsidies (continued)</b>		
<b>Integrated National Electrification Grant</b>		
Balance unspent at beginning of year	4 926 331	-
Current-year receipts	4 800 000	5 000 000
Conditions met - transferred to revenue	(7 526 331)	(73 669)
Amounts withheld and clawed back by National Treasury	(2 200 000)	-
	<b>-</b>	<b>4 926 331</b>
Conditions still to be met - remain liabilities (see note 18).		
<b>Cacadu - Fire services Grant</b>		
Current-year receipts	925 000	1 665 000
Conditions met - transferred to revenue	(925 000)	(1 665 000)
	<b>-</b>	<b>-</b>
<b>Demarcation Grant</b>		
Current-year receipts	6 847 000	23 143 000
Conditions met - transferred to revenue	(6 847 000)	(23 143 000)
	<b>-</b>	<b>-</b>
<b>MSIG</b>		
Current-year receipts	513 011	513 011
Amounts withheld and clawed back by National Treasury	(513 011)	(513 011)
	<b>-</b>	<b>-</b>
<b>Sarah Baartman - LED &amp; Tourism Grant</b>		
Transferred during merger	200 000	163 007
Conditions met - transferred to revenue	(200 000)	(163 007)
	<b>-</b>	<b>-</b>
<b>1% AG Grant</b>		
Current-year receipts	6 700 492	-
Conditions met - transferred to revenue	(6 700 492)	-
	<b>-</b>	<b>-</b>
<b>Expanded Public Works Programme Integrated Grant</b>		
Balance unspent at beginning of year	1 564 933	-
Current-year receipts	1 383 000	3 101 000
Conditions met - transferred to revenue	(1 383 000)	(1 536 067)
Amounts withheld and clawed back by National Treasury	(1 564 933)	-
	<b>-</b>	<b>1 564 933</b>
Conditions still to be met - remain liabilities (see note 18).		

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>26. Government grants and subsidies (continued)</b>		
<b>Department of Water Affairs Grant</b>		
Balance unspent at beginning of year	888 109	-
Transferred during merger	-	888 109
Current-year receipts	-	2 158 526
Conditions met - transferred to revenue	-	(2 158 526)
	<b>888 109</b>	<b>888 109</b>
Conditions still to be met - remain liabilities (see note 18).		
<b>Local Economic Development Grant - Fonteinbos Project</b>		
Balance unspent at beginning of year	1 148 073	-
Transferred during merger	-	1 523 950
Conditions met - transferred to revenue	(852 610)	(375 877)
	<b>295 463</b>	<b>1 148 073</b>
Conditions still to be met - remain liabilities (see note 18).		
<b>National Lottery Fund</b>		
Balance unspent at beginning of year	653 320	-
Transferred during merger	-	2 000 000
Conditions met - transferred to revenue	-	(1 346 680)
	<b>653 320</b>	<b>653 320</b>
Conditions still to be met - remain liabilities (see note 18).		
<b>Environmental affairs grant</b>		
Current-year receipts	2 554 000	-
Conditions met - transferred to revenue	(2 554 000)	-
	<b>-</b>	<b>-</b>
<b>Financial Management Financial Support Grant</b>		
Current-year receipts	1 085 000	-
Conditions met - transferred to revenue	(1 085 000)	-
	<b>-</b>	<b>-</b>
<b>Transitional Grant</b>		
Current-year receipts	4 000 000	-
Conditions met - transferred to revenue	(4 000 000)	-
	<b>-</b>	<b>-</b>
<b>COGTA - Eskom Grant</b>		
Current-year receipts	3 721 000	-
Conditions met - transferred to revenue	(3 721 000)	-
	<b>-</b>	<b>-</b>

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### **Notes to the Annual Financial Statements**

Figures in Rand	2018	2017
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#### **28. Government grants and subsidies (continued)**

##### **Water and Sanitation Grant**

Balance unspent at beginning of year	200 000	-
Transferred during merger	-	200 000
	<u>200 000</u>	<u>200 000</u>

Conditions still to be met - remain liabilities (see note 18).

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>27. Employee related costs</b>		
Basic	42 973 365	34 517 019
Bonus	7 907 970	4 802 835
Medical aid - company contributions	5 352 680	6 123 624
Unemployment Insurance Fund	810 531	682 623
Workmens Compensation	717	489 999
Skills Development Levy	1 272 499	910 092
Other payroll levies	52 089	973 451
Pension fund contributions	14 316 238	13 255 788
Travel, motor car, accommodation, subsistence and other allowances	1 774 638	1 371 656
Overtime payments	4 835 999	4 342 727
Housing benefits and allowances	1 182 051	1 063 397
Overall allowances	361 115	8 684
Wages	57 331 389	39 581 228
	<b>138 171 291</b>	<b>108 123 103</b>
<b>Remuneration of municipal manager</b>		
Annual Remuneration	960 897	700 958
Contributions to UIF, Medical and Pension Funds	1 487	1 515
Bonus and back pay	-	256 224
Other Allowances	267 903	-
	<b>1 230 287</b>	<b>958 697</b>
The Municipal manager was appointed 1 September 2017.		
<b>Remuneration of chief finance officer</b>		
Annual Remuneration	870 181	353 333
Travel, motor car, accommodation, subsistence and other allowances	34 000	63 551
Contributions to UIF, Medical and Pension Funds	1 487	585
Bonus and back pay	-	108 032
	<b>905 668</b>	<b>525 511</b>
The Chief Financial Officer was appointed on 1 September 2017.		
<b>Remuneration of Acting Chief Financial Officer</b>		
Annual Remuneration	123 663	548 617
<b>Remuneration of Director - Corporate Services</b>		
Annual Remuneration	804 382	783 985
Travel, motor car, accommodation, subsistence and other allowances	145 200	145 200
Contributions to UIF, Medical and Pension Funds	1 636	1 664
Bonus and back pay	-	133 659
	<b>951 218</b>	<b>1 064 508</b>

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#### 27. Employee related costs (continued)

##### Remuneration of the Director - Planning and Engineering

Annual Remuneration	890 111	938 880
Travel, motor car, accommodation, subsistence and other allowances	120 000	129 327
Contributions to UIF, Medical and Pension Funds	63 049	1 684
Bonus and back pay	-	111 982
	<u>1 073 160</u>	<u>1 181 833</u>

##### Remuneration of the Director - Community Services

Annual Remuneration	750 181	-
Travel, motor car, accommodation, subsistence and other allowances	154 000	-
Contributions to UIF, Medical and Pension Funds	1 487	-
	<u>905 668</u>	<u>-</u>

The Director of community services was appointed on 1 September 2017.

#### 28. Remuneration of councillors

Councillors	<u>9 324 299</u>	<u>7 367 925</u>
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#### 28. Remuneration of councillors (continued)

##### In-kind benefits

##### Councillors

	Remuneration	Allowances	Total
			2018
Mayor - Cllr D.W.S. De Vos	477 548	362 765	840 313
Speaker - Cllr T.L. Nonnies	382 039	299 092	681 131
Executive Committee - Cllr P.W. Koeberg	249 764	127 655	377 419
Executive Committee - Cllr S.J. Graham	249 764	127 655	377 419
Executive Committee - Cllr N.P. Vanda	249 764	127 655	377 419
Executive Committee - Cllr E.L. Look	249 764	127 655	377 419
MPAC Chairperson - Cllr W.J. Safers	242 432	125 211	367 643
Cllr D. Williams	188 908	107 369	296 277
Cllr E.A. Ruiters	188 908	107 369	296 277
Cllr W.Z. Le Grange	188 908	107 369	296 277
Cllr A. Mboneni	188 908	107 369	296 277
Cllr E.A. Carolus	188 908	107 369	296 277
Cllr A. Booysen	188 908	107 369	296 277
Cllr H. Booysen	188 908	107 369	296 277
Cllr B.W. Seekoei	188 908	107 369	296 277
Cllr L.M. Botha	188 908	107 369	296 277
Cllr K. Hoffman	188 908	107 369	296 277
Cllr X.N. Galada	188 908	107 369	296 277
Cllr G.C. Mackelina	188 908	107 369	296 277
Cllr T.M. Tshona	188 908	107 369	296 277
Cllr R.B. Jacobs	188 908	107 369	296 277
Cllr P. Bees	188 908	107 369	296 277
Cllr L.L. Langeveldt	188 908	107 369	296 277
Cllr A. Arries	188 908	107 369	296 277
Cllr D.J. Bezuidenhout	188 908	107 369	296 277
Cllr E.V.R. Rossouw	188 908	107 369	296 277
Cllr J.J. Williams	188 908	107 369	296 277
	<b>5 879 235</b>	<b>3 445 068</b>	<b>9 324 303</b>

##### Councillors

	Remuneration	Allowances	Total
			2017
Mayor - Cllr D.W.S. De Vos	388 862	284 852	683 714
Speaker - Cllr T.L. Nonnies	327 683	235 555	563 238
Executive Committee - Cllr P.W. Koeberg	208 624	89 857	298 481
Executive Committee - Cllr S.J. Graham	214 679	95 921	310 600
Executive Committee - Cllr N.P. Vanda	208 624	89 857	298 481
Executive Committee - Cllr E.L. Look	219 181	89 194	308 375
MPAC Chairperson - Cllr W.J. Safers	200 872	87 273	288 145
D Williams	158 794	73 247	232 041
EA Ruiters	163 364	78 655	242 019
WZ Le Grange	158 794	73 247	232 041
A Mboneni	160 826	73 247	234 073
EA Carolus	158 794	73 247	232 041
A Booysen	166 564	79 882	246 446
H Booysen	166 046	73 247	239 293
BW Seekoei	160 426	73 247	233 673
LM Botha	158 794	73 247	232 041
K Hoffman	158 794	73 247	232 041
XN Galada	158 794	73 247	232 041
GC Mackelina	163 364	75 355	238 719
TM Tshona	158 794	73 247	232 041
RB Jacobs	158 794	73 247	232 041
P Bees	158 794	73 247	232 041

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>28. Remuneration of councillors (continued)</b>		
LL Langeveldt	158 794	73 247
A Arries	158 794	73 247
DJ Bezuidenhout	186 046	73 247
EVR Rossouw	158 794	73 247
JJ Williams	158 794	73 247
	<b>4 989 483</b>	<b>2 451 600</b>
		<b>7 441 083</b>
<b>29. Debt impairment</b>		
Debt impairment	4 250 629	34 835 379
Bad debts written off	1 375 045	1 343 070
	<b>5 625 674</b>	<b>36 178 449</b>
<b>30. Depreciation and amortisation</b>		
Property, plant and equipment	62 614 670	65 004 858
Intangible assets	98 178	110 825
	<b>62 710 848</b>	<b>65 115 683</b>
<b>31. Finance costs</b>		
Long service award	880 104	621 163
Post employment medical benefit	3 678 697	2 801 274
Trade and other payables	2 671 958	2 737 694
	<b>7 228 759</b>	<b>6 160 131</b>
<b>32. Bulk purchases</b>		
Electricity	81 207 643	89 092 088

## Dr Beyers Naude Local Municipality

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Figures in Rand

	2018	2017
<b>33. General expenses</b>		
Adjustment for provision of landfill sites obligation	7 748 114	1 114 579
Advertising	750 727	565 786
Audit committee	114 999	108 171
Auditors remuneration	6 957 827	7 923 230
Bank charges	984 432	767 363
Cleaning	3 853 823	2 918 051
Commission paid	920 156	780 296
Community development and training	-	375 877
Conferences and seminars	3 718 380	6 515 558
Consumables	679 520	450 234
Debt collection	-	50 000
Delivery expenses	631 757	374 624
Entertainment	115 935	91 261
Grant Expenditure - Financial Management Grant	5 725 407	2 793 137
Grant Expenditure - Transitional Grant	12 971 651	1 441 247
Insurance	1 055 658	1 849 577
Inventory losses and write downs	18 178	54 848
Legal fees	4 937 689	3 181 751
Levies	89 880	93 205
Motor vehicle expenses	5 222 959	4 925 513
Municipal service charges	32 656 324	22 100 965
Other expenses	3 437 898	2 488 639
Postage and courier	894 680	683 952
Project maintenance costs	174 614	156 581
Repairs and Maintenance	7 401 663	5 783 109
Staff welfare	17 614	6 538
Subscriptions and membership fees	1 467 719	1 238 155
Telephone and fax	3 905 718	2 934 558
Testing samples	603 413	253 945
Training	337 109	122 854
Travel and subsistence	3 358 406	1 353 312
	<b>110 752 250</b>	<b>73 496 916</b>

#### 34. Contracted services

Security services	3 897 685	3 677 892
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#### 35. Repairs and maintenance

The accounting standards boards (ASB) issued a FAQ which states that the line item "Repairs and Maintenance" is no longer permitted in the statement of financial performance, and that the said expenditure should be reclassified by its nature. .

However in line with the requirements of GRAP 17, the repairs and maintenance related expenditure identified by the municipality can still be attributed to the following asset classes:

Repairs and Maintenance - Buildings	448 759	94 277
Repairs and Maintenance - Infrastructure	2 890 379	2 985 284
Repairs and Maintenance - Leased and other assets	3 333 491	2 181 360
Repairs and Maintenance - Community assets	729 034	522 188
	<b>7 401 663</b>	<b>5 783 109</b>



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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>36. Cash generated from operations</b>		
Deficit	(43 253 831)	(43 726 874)
Adjustments for:		
Depreciation and amortisation	82 710 848	85 115 683
Loss on sale of assets and liabilities	-	(3 410 469)
Debt impairment	5 625 674	36 178 449
Changes in working capital:		
Inventories	(490 573)	(110 791)
Other Receivables	-	(9 375 022)
Receivables from exchange and non-exchange	(22 491 645)	-
Payables from exchange transactions	31 625 374	6 832 100
VAT	(2 477 286)	3 971 738
Unspent conditional grants and receipts	(23 759 856)	17 573 104
Consumer deposits	85 732	765 969
Provision and employee benefits	7 726 162	9 817 927
	<b>15 300 499</b>	<b>83 631 814</b>

### 37. Prior period errors

During the year the following errors were discovered in both the annual financial statements submitted in the prior year and the financial accounting system. These errors have been corrected retrospectively through restatements of prior year through journals in the financial accounting system and through correcting the misrepresented prior year column on the annual financial statements.

**INVENTORIES:** The error was as a result of water inventory that was incorrectly disclosed in the previous year. Therefore this error was corrected in the current year.

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## Notes to the Annual Financial Statements

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### 37. Prior period errors (continued)

**RECEIVABLES FROM EXCHANGE TRANSACTIONS:** The error was as a result of impairment of debtors being incorrectly calculated. Therefore that error has been corrected in the current year.

**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS:** The error was as a result of former Camdeboo SALGA invoices for 2016/17 not previously raised. Therefore the error has been corrected by raising the SALGA invoices for 2016/17 that were not raised.

**TRADE RECEIVABLES:** The error was a result of amalgamation expenses raised as debtor, SALGA prepaid expenditure recognised as debtor, incorrect take on balances of Traffic debtors and salary control account classified as debtor. Therefore the error was corrected in the current year by reclassifying the salary control account votes to Payables from exchange transactions and reversal of SALGA prepaid expenditure.

**CASH AND CASH EQUIVALENTS:** The error was as a result of former Baviaans bank balance not being correctly allocated to bank and cash, and interest on Standard bank Investment accounts of former Ikwezi for 2016/17 not previously been raised. The error was corrected in the current year by reallocation of Baviaans bank balance and Raising interest not previously raised.

**PROPERTY, PLANT AND EQUIPMENT:** The error was as a result of former Baviaans Landfill site not taken on initially and depreciated for 2016/17 not calculated correctly. The error was corrected in the current year by correcting the Baviaans Landfill site not taken on initially. Reversing depreciation charged for 2016/17 and then raising the correct charge for the year. Land Identified as held for sale was reclassified as inventory.

**INTANGIBLE ASSETS:** The error was as a result of amortisation charge for the 2016/17 year being incorrectly calculated. The error has been corrected in the current year by reversing the amortisation charged for 2016/17 and raising the correct one.

**FINANCE LEASE OBLIGATION:** The items included in the balance all relate to Motor vehicles taken on from former Baviaans and previously accounted for as finance lease but mapped to creditors during take on. This was corrected/remapped to a separate finance leases vote in the AFS.

**PAYABLES FROM EXCHANGE TRANSACTIONS:** This error is as a result of finance lease obligation being incorrectly mapped to creditors, double accounting of AGSA invoices, annual bonus accrual incorrectly calculated and accrual listing processed excluding vat etc. These errors have been corrected in the current year.

**PAYABLES FROM NON-EXCHANGE TRANSACTIONS:** This line item consists of unallocated deposits and debtors with credit balances. In the current year, former Ikwezi Unallocated deposit have been written off. Some of the previously unallocated deposits have been allocated to the respective debtor accounts.

**VAT PAYABLE:** The adjustment is as a result to payment made in the bank account that was previously unallocated and that has been corrected in the current year.

**CONSUMER DEPOSITS:** The error is a result of take on journals being incorrectly processed. This has been corrected in the current year.

**UNSPENT CONDITIONAL GRANTS:** This error is as a result of incorrect former Baviaans National Treasury Clawback, incorrect take on balances for MSIG and FMG for former Ikwezi and amounts withheld relating to former Ikwezi Equitable share. These have been corrected in the current year.

**PROVISIONS:** This error is as a result of incorrect opening take on balances of employee benefits and contributions processed directly to statement of financial position. These have been corrected in the current year.

**SERVICES CHARGES:** This adjustment was a result of the differences noted between TB and the billing reports for the period. These differences have been corrected in the current year.

**FINES, PENALTIES AND FORFEITS:** This adjustment was as a result of the difference noted between the TB and the traffic fines schedule from the system. These differences have been corrected in the current year.

**AGENCY FEES:** The error is as result of DOT E-natis creditor not previously raised. Therefore an adjustment journal was processed to reduce revenue to the Agency fee portion and recognise the DOT E-natis creditor based on amounts agreed with DOT.

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### Notes to the Annual Financial Statements

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#### 37. Prior period errors (continued)

**INTEREST RECEIVED:** The error is as a result of differences noted between GL/TB and debtors intergration reports from the system and the difference between interest on Investments in TB/GL and bank statements. This has been corrected in the current year.

**LICENCES AND PERMITS:** The adjustment is as a result of votes previously mapped to Agency Fees and have been re-mapped in the current year.

**GAIN ON DISPOSAL OF ASSETS:** The adjustment is as a result of gain on disposal of assets which was incorrectly calculated and has not been calculated correctly.

The correction of the error(s) results in adjustments as follows:

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## Notes to the Annual Financial Statements

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	2018	2017		
37. Prior period errors (continued)				
STATEMENT OF FINANCIAL POSITION				
	Previously reported	Correction of error	Reclassification	Restated 2017
Inventories	6 421 263	31 671	-	6 452 934
Other debtors	11 298 878	(9 469 484)	8 729	1 838 123
Receivables from non-exchange transactions	837 067	194 661	3 688 018	4 719 748
Receivables from exchange transactions	19 518 205	(3 328 352)	(3 696 747)	12 493 106
Cash and cash equivalents	38 271 395	(10 816 784)	-	27 454 611
Total current assets	76 346 808	(23 388 288)	-	52 958 520
Investment property	87 783 408	-	-	87 783 409
Property, plant and equipment	1 107 025 444	-	2 403 355	1 109 428 799
Intangible assets	252 863	-	(1 127)	251 736
Heritage assets	13 452 791	-	-	13 452 791
Total Non-current assets	1 188 514 507	-	2 402 228	1 190 916 735
TOTAL ASSETS	1 188 614 507	-	2 402 228	1 190 916 735
Liabilities				
Finance lease obligation	-	-	(194 770)	(194 770)
Payables from exchange transactions	(102 705 693)	-	8 181 267	(94 524 426)
Payables from non-exchange transactions	(6 449 978)	-	2 950 834	(3 499 144)
VAT payable	(590 692)	-	376 907	(213 785)
Consumer deposits	(2 885 033)	-	(28 031)	(2 911 084)
Unspent conditional grants and receipts	(35 700 416)	-	9 404 953	(26 295 463)
Provisions	(180 000)	-	30 745	(149 255)
Employee benefits	(1 872 024)	-	-	(1 872 024)
Total current liabilities	(150 383 836)	-	20 723 905	(129 659 931)
Provisions	(13 903 886)	-	-	(13 903 886)
Employee benefits	(44 893 455)	-	-	(44 893 455)
Total Non-current liabilities	(58 797 341)	-	-	(58 797 341)
TOTAL ASSETS	1 264 861 315	-	(18 338 060)	1 246 523 255
TOTAL LIABILITIES	(209 181 177)	-	20 723 904	(188 457 273)
NET ASSETS	1 055 680 138	-	2 385 844	1 058 065 982
Accumulated surplus	1 055 680 138	-	2 385 844	1 058 065 982
STATEMENT OF FINANCIAL PERFORMANCE				
	Previously reported	Correction of error	Reclassification	Restated 2017
Property rates	21 825 697	-	-	21 625 697
Service charges	117 962 297	(1 899 515)	-	116 062 782
Fines, Penalties and forfeits	76 547	107 735	-	184 282
Government grants and Subsidies	168 085 887	7 589 832	-	175 675 719
Agency services	4 453 556	(2 364 673)	-	2 088 883
Interest received	6 246 616	-	-	6 246 616
Interest received - Investment	1 308 936	30 485	-	1 339 421
Rental of facilities and equipment	591 870	-	-	591 870
Other income	690 548	1 213 002	-	1 903 550
Licences and permits	-	1 111 422	-	1 111 422

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**Notes to the Annual Financial Statements**

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	2018		2017
<b>37. Prior period errors (continued)</b>			
Gains on disposal of assets	3 550 381	(139 912)	-
<b>Total Revenue</b>	<b>324 592 335</b>	<b>5 848 376</b>	<b>3 410 469</b>
Employee costs	(100 825 850)	(7 288 253)	(9 000)
Remuneration of councillors	(7 376 925)	-	(108 123 103)
Debt impairment	-	(36 178 449)	(7 376 925)
Depreciation and amortisation	(65 157 003)	41 320	(36 178 449)
Finance costs	(4 914 114)	(1 246 017)	(65 115 683)
Repairs and maintenance	(4 505 563)	(1 335 515)	(6 160 131)
Bulk purchases	(89 018 919)	(73 149)	-
General expenses	(72 429 806)	4 516 143	(69 092 068)
Impairment of assets	(32 985 584)	32 985 584	(73 496 915)
Contracted services	(3 417 077)	(3 189)	-
Actuarial losses	(4 955 419)	-	(3 677 892)
Inventory losses/write-downs	(86 519)	-	(4 955 419)
Lease rentals on operating lease	(418 185)	-	-
<b>TOTAL EXPENDITURE</b>	<b>(366 090 764)</b>	<b>(8 581 525)</b>	<b>495 704</b>
<b>Deficit for the year</b>	<b>(41 498 429)</b>	<b>(2 171 190)</b>	<b>(374 178 585)</b>
<b>CASH FLOW STATEMENT</b>	<b>Previously stated</b>	<b>Correction of error</b>	<b>Reclassification</b>
Government grants and subsidies	173 864 936	1 810 784	-
Rates and services	122 178 609	10 308 587	-
Interest income	7 555 552	30 485	-
Other receipts	5 735 974	144 033	-
Employee cost	309 335 071	12 291 889	-
Suppliers	(98 919 887)	(16 571 141)	-
Finance cost	(114 816 230)	(1 527 756)	-
	(1 491 677)	(4 668 454)	-
<b>Net cash flows from operating activities</b>	<b>94 107 277</b>	<b>(10 475 482)</b>	<b>83 631 815</b>
<b>Cash flow from Investing activities</b>			
Purchase of property, plant and equipment	(62 347 060)	-	(102 713)
Proceeds from sale of property, plant and equipment	3 590 400	-	69 421
Purchase of other intangible assets	(49 308)	-	1
<b>Net cash flows from Financing activities</b>	<b>(68 806 968)</b>	<b>-</b>	<b>(33 291)</b>
<b>Cash flow from Financing activities</b>			
Movement from Finance lease	-	(307 899)	(307 899)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>35 301 309</b>	<b>- (10 816 653)</b>	<b>24 484 656</b>
Cash and cash equivalents at the beginning of the year	2 970 086	- (131)	2 969 955
<b>Cash and cash equivalents at the end of the year</b>	<b>38 271 395</b>	<b>- (10 816 784)</b>	<b>27 454 611</b>
<b>Accumulated Surplus/ Deficit</b>			
Inventories			1 519 825
Receivables from exchange transactions			979 881
Receivables from non-exchange transactions			(2 833 775)
Property, plant and equipment			(3 477 883)
Payables from non-exchange transactions			5 606 851
Payables from exchange transactions			(415 816)

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<b>37. Prior period errors (continued)</b>		
Other financial liabilities		(551 770)
Other receivables		(2 370 000)
Non-current provisions		32 284 022
Employee benefits		(32 160 187)
Unspent conditional grants		4 770 972
		<b>3 332 110</b>

#### 38. Commitments

##### Authorised capital expenditure

##### Already contracted for but not provided for

- Property, plant and equipment - Infrastructure

42 604 738 75 198 843

##### Total capital commitments

##### Already contracted for but not provided for

42 604 738 75 198 843

The committed expenditure relates to Infrastructure and will be financed by Government Grants and own resources.

#### 39. Unauthorised expenditure

##### Opening balance/transferred during merger

##### Add: Unauthorised expenditure - current year

164 449 999 128 812 064

17 769 562 37 637 935

**182 219 561 164 449 999**

#### 40. Fruitless and wasteful expenditure

##### Opening balance/transferred during merger

##### Add: Fruitless and wasteful expenditure - current year

6 788 949 3 430 082

1 642 907 3 358 857

**8 431 856 6 788 949**

#### 41. Irregular expenditure

##### Opening balance/transferred during merger

##### Add: Irregular Expenditure - current year

130 519 900 79 743 767

30 169 370 50 776 133

**160 689 270 130 519 900**

Transitional Provision - GRAP 107: The municipality has opted to take advantage of the transitional provisions contained in GRAP 107 relating to the measurement of Irregular expenditure. The municipality is granted a 2 year measurement period commencing on merger date to ensure compliance with the relevant GRAP standards. Therefore the above amounts have been recorded as provisional amounts.

#### 42. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Goods and services to the value of R13 275 012 were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

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### 43. Related parties

#### Relationships

Mayor	Cllr D.W.S. De Vos
Speaker	Cllr T.L. Nonnies
Executive Committee	Cllr P.W. Koeberg
Executive Committee	Cllr S.J. Graham
Executive Committee	Cllr N.P. Vanda
Executive Committee	Cllr E.L. Looek
MPAC Chairperson	Cllr W.J. Safers
Councillor	Cllr D. Williams
Councillor	Cllr E.A. Ruiters
Councillor	Cllr W.Z. Le Grange
Councillor	Cllr A. Mboneni
Councillor	Cllr E.A. Carolus
Councillor	Cllr H. Booysen
Councillor	Cllr B.W. Seekoei
Councillor	Cllr L.M. Botha
Councillor	Cllr K. Hoffman
Councillor	Cllr X.N. Galada
Councillor	Cllr G.C. Mackelina
Councillor	Cllr T.M. Tshona
Councillor	Cllr R.B. Jacobs
Councillor	Cllr P. Bees
Councillor	Cllr L.L. Langeveldt
Councillor	Cllr A. Arries
Councillor	Cllr D.J. Bezuidenhout
Councillor	Cllr E.V.R. Rossouw
Councillor	Cllr J.J. Williams
Municipal Manager	Dr. E.M. Rankwana
Chief Financial Officer	H. Kok
Acting Chief Financial Officer	S.E. Mbotya
Director of planning and engineering services	W.I. Berrington
Acting Director of Corporate Services	Z. Kali
District Municipality which Dr. Beyers Naude Local Municipality forms part of	Sarah Baartman District Municipality
Name of related person and designation	Description of related party relations
Hendrina Meyer - Program operator	Meyer Transport - Spouse
Clive Warner - Assistant Manager	Electrical Motor Rewinders - Son
Maryna Minnie - Senior Clerk Administration	Tinnus Minnie Electrical - Spouse
Ivan Japtha - Law enforcement Officer	Japtha Transport - Owner
Logan Cudjoe - Accountant expenditure	RAC Transport - Spouse
Rory Boggenpoel - Manager Assets and SCM	RGB Ithemba - Owner
Hildegard Wessels - HR Officer: Recruitment	Camdeboo Funeral services - Director/Partner
Ivor Berrington - Director: Planning and Engineering	Berrington Family Trust & Uitkomst Trust - Trustee
Melanie Berrington - Administration Officer	Berrington Family Trust & Uitkomst Trust - Trustee
Colin Abels - Health Practitioner	Welkom Yizani - Shareholder

The mayor and councillors only received remuneration as set out in Note 28. Rates and municipal services were in line with other customers, see note 6.

The Section 57 managers only received remuneration as set out in Note 27. Rates and municipal services were in line with other customers.

All councillors and employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

All related government entities transactions, including the district municipality, such as rates and municipal services were in line with government legislation.

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### 43. Related parties (continued)

#### Related party transactions

##### Purchases from related parties

Electrical Motor Rewinders

73 737

410 250

Zaaymans Garage

-

31 776

Vivians Enterprise

3 200

4 900

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

### 44. Risk management

#### Financial risk management

##### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

##### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

##### Financial Instrument

Other Receivables

2018

2017

Receivables from non-exchange transactions

4 500 627

1 838 123

Receivables from exchange transactions

5 437 406

4 719 746

Cash and cash equivalents

28 874 343

12 493 106

Payables from exchange transactions

1 005 761

27 454 811

Payables from non-exchange transactions

(121 479 437)

(91 876 424)

VAT payables

(5 211 804)

(3 499 144)

Bank overdraft

-

(213 785)

VAT receivable

(11 894 348)

-

2 283 501

-

##### Market risk

##### Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Interest rate risk is managed by investing any surplus funds into high yield investments. The resultant interest earned is likely to offset interest paid, as both are linked to prime rates..

### 45. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

Opening balance

4 433 012

-

Council subscription / fee

1 252 765

5 278 180

Amount paid - current year

-

(815 716)

Amount paid - previous years

(1 336 407)

(27 452)

4 349 370

4 433 012



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### 45. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### PAYE and UIF

Current year payroll deductions	19 735 646	14 172 848
Amount paid - current year	(13 323 139)	(14 172 849)
	<b>6 412 507</b>	<b>-</b>

#### Pension and Medical Aid Deductions

Current year payroll deductions and Council Contributions	18 675 055	24 772 744
Amount paid - current year	(16 998 915)	(24 772 744)
	<b>1 676 140</b>	<b>-</b>

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2018:

##### 30 June 2018

	Outstanding more than 90 days R	Total R
Cllr GC Mackelina	2 979	2 979
Cllr A Booysen	4 771	4 771
Cllr TL Nonnies	2 119	2 119
Cllr P W Koeberg	695	695
Cllr P Bees	132	132
Cllr EVR Rossouw	4 440	4 440
	<b>15 136</b>	<b>15 136</b>

##### 30 June 2017

	Outstanding more than 90 days R	Total R
Cllr GC Mackelina	531	531
Cllr A Booysen	12 331	12 331
Cllr TL Nonnies	87	87
Cllr BW Seekoei	649	649
Cllr H Booysen	450	450
Cllr EVR Rossouw	799	799
Cllr DJ Bezuidenhout	9 962	9 962
	<b>24 789</b>	<b>24 789</b>

### 46. Distribution losses - Electricity

#### Electricity losses (units)

Electricity units (kWh) purchased from Eskom

Electricity units (kWh) sold to customers

85 756 113	70 957 000
(60 485 078)	(58 245 359)
<b>25 271 035</b>	<b>12 711 641</b>

Electricity losses occur due to Inter alia, technical and non-technical losses. (Technical losses - Inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections).

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### 46. Distribution losses - Electricity (continued)

The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported. Electricity losses for the financial year is 29.47% of purchased electricity. The Rand value of the electricity losses for the period ending 30 June 2018 is R23 930 669.

### 47. Distribution losses - Water

#### Water losses (units)

Balance at the beginning of the year in reservoirs and pipes

Water units produced

Water units sold

Balance at the end of the year in reservoirs and pipes

38 398

33 237

3 996 783

5 092 402

(2 951 305)

(4 014 501)

(35 131)

(38 398)

1 048 745

1 072 740

Water losses occur due to inter alia, leakages, tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections.

The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported. Water losses for the financial period amounted to 26% of water produced. The Rand value of the water losses for the period ending 30 June 2018 is R6 432 598.

### 48. Events after the reporting date

No material facts or circumstances occurred between the accounting date and the date of the financial statements other than those items already mentioned which require disclosure in the financial statements.

### 49. Contingencies

Beyers Naude Local Municipality has the following guarantees:

**The Wedge (EX CLM)** - Possible enrichment claim for the improvement to the property.

**Amatenda Property Projects CC (In Liquidation) (EX CLM)** - R500 000. Housing development for low/ middle income was done on municipal property. Final vacating of property by liquidators only aspect.

**Richardt V Rensburg (EX CLM)** - Richardt van Rensburg brought a High Court application in terms of "PAIA" for an order directing CLM to deliver documentation pertaining to a mining right on Erf 1814, Graaff-Reinet existing and previous lease agreements in respect of Erf 1814 and further related documents.

**AURECON SA (PTY) LTD (EX)** - Aurecon instituted action in the high court, Grahamstown for payment of moneys, same strictly payable by relevant Government Department.

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### 49. Contingencies (continued)

**Minister of water and Sanitation (EX CLM)** - R414 300.45, Minister of Water & Sanitation instituted Action against the municipality for water use charges. Municipality is unaware and cannot reconcile the alleged amounts owing. The other side indicated recently that they want to increase their claim

**CJ Bouwer** - R3.7 Million, Claimant will have difficulty to prove liability against Municipality as well as quantum of his alleged damages.

**YL Booysen** - R210 000, Alleging and claiming Damages for alleged infringement of her dignitas and fama. She is an employee of the municipality.

**Robert Alexander (EX CLM)** - R26 987.73, Robert Alexander instituted Action out of GR Magistrate's court against the Municipality alleging said damages from a MVA involving a motor vehicles of the Mun driven by an employee of the Municipality.

**Trustee Zuurplaats Trust EA** - Trustees for Zuurplaats Trust ea filed an Objection to approval of building. Application and Construction Plans and work, parties attempting to resolve to avoid High Court Review proceedings.

**Louise Van Tonder (EX IKWEZI)** - Louise van Tonder instituted Action based on alleged assaults by an employee of the Municipality.

**Phil-ANN (EX Ikwezi)** - R4 028 416.80, Phil-Ann Erasmus obtained Judgment in her favour on the merits against the Municipality and employee Mr Jack on 31 March 2016.

**Vincemus Investments (Pty) Ltd** - R1 298 640.32, for vehicle leasing and damages, currently investigating.

**MD Business Solutions (Pty) Ltd** - R1 938 000, Combined Summons (Case no 3328/17) received on 14 July 2017, matter clearly related to previous matter in which judgement was granted.

**Miss E. Botha (DBNLM)** - R86 650, Ms E Botha had a Section 3 Notice Delivered, Alleging and Claiming damages resulting from the alleged negligence of Employees of the Municipality with regards to stray animals/ breach of duty.

**MR A Witbooi (DBNLM)** - R7 241,10, Alleging damages as a result of damages due to a fire.

**James Henry PITOUT** - R12 448.18, Mr Pitout instituted action for damages from fire allegedly started by employees of Municipality that was participating in a gathering. SAMWU as second defendant.

### 50. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality from national and provincial government.