

OVERBERG DISTRICT MUNICIPALITY

ANNUAL REPORT

2019-2020



DRAFT

CONTENTS

VOLUME I

	PG
CONTENTS	1
LIST OF TABLE & FIGURES	3
TABLES	3
FIGURES	5
ACRONYMS	5
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	8
COMPONENT A: MAYOR’S FOREWORD	8
COMPONENT B: EXECUTIVE SUMMARY	10
1.1 MUNICIPAL MANAGER’S OVERVIEW	10
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	11
1.3 SERVICE DELIVERY OVERVIEW	15
1.4 FINANCIAL HEALTH OVERVIEW	16
1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW	18
1.6 AUDITOR-GENERAL REPORT	18
1.7 STATUTORY ANNUAL REPORT PROCESS	18
CHAPTER 2 - GOVERNANCE	19
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	19
2.1 POLITICAL GOVERNANCE	19
2.2 ADMINISTRATIVE GOVERNANCE	21
COMPONENT B: INTERGOVERNMENTAL RELATIONS	22
2.3 INTERGOVERNMENTAL RELATIONS	22
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	23
2.4 PUBLIC MEETINGS	23
2.5 IDP PARTICIPATION AND ALIGNMENT	25
COMPONENT D: CORPORATE GOVERNANCE	26
2.6 RISK MANAGEMENT	26
2.7 ANTI-CORRUPTION AND FRAUD	28
2.8 SUPPLY CHAIN MANAGEMENT	29
2.9 BY-LAWS	29
2.10 WEBSITES	30
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	30
CHAPTER 3 - SERVICE DELIVERY PERFORMANCE	31
COMPONENT A: BASIC SERVICES	32
3.1 SOLID WASTE MANAGEMENT	32
COMPONENT B: ROAD TRANSPORT	36
3.2 ROADS	36
3.3 TRANSPORT	38
COMPONENT C: PLANNING AND DEVELOPMENT	38
3.4 PLANNING (IDP, COMMUNICATION AND SPATIAL PLANNING)	38
3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)	40
COMPONENT D: COMMUNITY AND SOCIAL SERVICES	43
COMPONENT E: ENVIRONMENTAL PROTECTION	43
3.6 POLLUTION CONTROL	44

3.7	ENVIRONMENTAL MANAGEMENT	45
	COMPONENT F: HEALTH	47
3.8	MUNICIPAL HEALTH SERVICES (HEALTH INSPECTION)	47
	COMPONENT G: SECURITY AND SAFETY	49
3.9	EMERGENCY SERVICES (FIRE SERVICES)	49
3.10	DISASTER MANAGEMENT	51
	COMPONENT H: SPORT AND RECREATION	52
3.11	RESORTS	52
	COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	54
3.12	EXECUTIVE AND COUNCIL	54
3.13	FINANCIAL SERVICES	56
3.14	HUMAN RESOURCE SERVICES	57
3.15	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	58
3.16	SUPPORT: SUPPORT, COMMITTEE SERVICES, RECORD MANAGEMENT, LEGAL, PROPERTY MANAGEMENT, RISK MANAGEMENT, PERFORMANCE MANAGEMENT AND PROCUREMENT SERVICES	60
	COMPONENT J: ORGANISATIONAL PERFORMANCE	63
	COMPONENT K: PERFORMANCE ASSESSMENT OF GOODS AND SERVICE PROVIDERS	76
	CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE	81
	COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	81
4.1	EMPLOYEE TOTALS; TURNOVER AND VACANCIES	81
	COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	83
4.2	POLICIES	83
4.3	INJURIES, SICKNESS AND SUSPENSIONS	84
4.4	PERFORMANCE REWARDS	85
	COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	85
4.5	SKILLS DEVELOPMENT AND TRAINING	86
	COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	87
4.6	EMPLOYEE EXPENDITURE	88
	CHAPTER 5 - FINANCIAL PERFORMANCE	90
	COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	90
5.1	STATEMENTS OF FINANCIAL PERFORMANCE	91
5.2	GRANTS	92
5.3	ASSET MANAGEMENT	95
5.4	FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	97
	COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	99
5.5	CAPITAL EXPENDITURE	99
5.6	SOURCES OF FINANCE	100
5.7	CAPITAL SPENDING ON 5 LARGEST PROJECTS	100
5.8	BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW	101
	COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	101
5.9	CASH FLOW	101
5.10	BORROWING AND INVESTMENTS	102
5.11	PUBLIC PRIVATE PARTNERSHIPS	103
	COMPONENT D: OTHER FINANCIAL MATTERS	103
5.12	SUPPLY CHAIN MANAGEMENT	103
5.13	GRAP COMPLIANCE	103

CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS	104
COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2018/2019	104
6.1 AUDITOR-GENERAL REPORT 2018/2019	104
COMPONENT B: AUDITOR-GENERAL OPINION 2019/2020	105
6.2 AUDITOR-GENERAL REPORT 2019/2020	105
GLOSSARY	107
APPENDICES	109
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	109
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	111
APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE	112
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	113
APPENDIX E – REPORT OF AUDIT AND PERFORMANCE AUDIT COMMITTEE	114
APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE	
2019/2020	117
APPENDIX G – LONG-TERM CONTRACTS (LARGEST CONTRACTS)	118
APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS	119
APPENDIX I – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	120
APPENDIX I (I) – REVENUE COLLECTION PERFORMANCE BY VOTE	120
APPENDIX I (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE	120
APPENDIX J – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	121
APPENDIX K – CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROGRAMMES	122
APPENDIX K (I) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME	122
APPENDIX K (II) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMMES	124
APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2019/2020	126
APPENDIX M – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	126
APPENDIX N – AUDITOR-GENERAL REPORT ON FINANCIAL STATEMENTS AND PERFORMANCE	
REPORT 2019/2020	127
APPENDIX O – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71	128
APPENDIX P – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT	128
VOLUME II: ANNUAL FINANCIAL STATEMENTS 2019/2020	128

LIST OF TABLE & FIGURES	PG
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TABLES	
Table 1: Number of indigent households ²	14
Table 2: Natural Resources	15
Table 3: Financial Overview 2019/20.....	16
Table 4: Operating Ratios	16
Table 5: Total Capital Expenditure: 2017/18 to 2019/20	17
Table 6: Audit Opinions.....	18
Table 7: Statutory Annual Report Process	18
Table 8: District and Provincial Integrated Development Planning (IDP) And Communications Stakeholder Structures	24
Table 9: IDP Participation and Alignment Criteria	25
Table 10: Dates of Fraud and Risk Management Committee and Audit and Performance Audit Committee meetings ...	27
Table 11: Top Five Strategic Risks	27
Table 12: Summary of B-BBEE awards during the financial year for formal quotations and tenders	29
Table 13: Website Checklist	30
Table 14: Implementation of the Integrated Waste Management Plan goals and objectives	32

CONTENT

Table 15: Total of waste volumes per user disposed of at Karwyderskraal Regional Landfill for the 2019/2020 financial year.....	34
Table 16: Financial Performance 2019/2020: Solid Waste Management	35
Table 17: Capital Expenditure 2019/2020: Solid Waste Management.....	35
Table 18: Solid waste adjustment of actual surplus	35
Table 19: Gravel Roads Infrastructure	36
Table 20: Tar Road Infrastructure.....	36
Table 21: Cost of Roads Infrastructure	37
Table 22: Financial Performance 2019/2020: Road Services.....	37
Table 23: Capital Expenditure 2019/2020: Roads Services.....	37
Table 24: Communication Plan and Strategies	39
Table 25: Financial Performance 2019/2020: Planning	39
Table 26: Capital Expenditure 2019/2020: Planning	40
Table 27: Summary of projects that have been postponed during lockdown (Pandemic).....	40
Table 28: Overberg: GDPR performance per sector, 2008-2018	41
Table 29: Section 30 Incidents	44
Table 30: Atmospheric Emission Licenses Holders	44
Table 31: Environmental Management - EPWP projects.....	45
Table 32: Financial Performance 2019/2020: Environmental Management.....	46
Table 33: Capital Expenditure 2019/2020: Environmental Management	47
Table 34: Financial Performance 2019/2020: Municipal Health	48
Table 35: Capital Expenditure 2019/2020: Municipal Health.....	48
Table 36: Fire Services Data	50
Table 37: Financial Performance 2019/2020: Emergency Services	50
Table 38: Capital Expenditure 2019/2020: Emergency Services.....	51
Table 39: Resorts Occupancy Rate.....	53
Table 40: Financial Performance 2019/2020: Resorts	53
Table 41: Capital Expenditure 2019/2020: Resorts	53
Table 42: Financial Performance 2019/2020: The Executive and Council.....	55
Table 43: Capital Expenditure 2019/2020: The Executive and Council	55
Table 44: Financial Performance 2019/2020: Internal Audit.....	55
Table 45: Capital Expenditure 2019/2020: Internal Audit	55
Table 46: Debt Recovery.....	56
Table 47: Financial Performance 2019/2020: Financial Services.....	57
Table 48: Capital Expenditure 2019/2020: Financial Services	57
Table 49: Financial Performance 2019/2020: Human Resources Services	58
Table 50: Capital Expenditure 2019/2020: Human Resources Services	58
Table 51: Financial Performance 2019/2020: ICT.....	59
Table 52: Capital Expenditure 2019/2020: ICT	59
Table 53: Financial Performance 2019/2020 Support	62
Table 54: Capital Expenditure 2019/2020 Support.....	62
Table 55: Service providers assessed during the year	76
Table 56: Employees Total.....	81
Table 57: Occupational Levels	82
Table 58: Turn-over Rate	82
Table 59: Human Resources Policies and Plans	83
Table 60: Number and Cost of Injuries on Duty.....	84
Table 61: Number of days and Cost of Sick Leave	84
Table 62: Suspensions.....	85
Table 63: Disciplinary Action Taken on Cases of Financial Misconduct.....	85
Table 64: Skills Matrix.....	86
Table 65: Financial Competency Development: Progress Report.....	87
Table 66: Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation	88
Table 67: Employees appointed to posts not approved	89
Table 68: Financial Summary	91
Table 69: Financial Performance of Operational Services	92
Table 70: Grant Performance	93
Table 71: Grants Received from Sources other than Division of Revenue Act	94
Table 72: Asset Management 2019/2020.....	95

CONTENT

Table 73: Repair and Maintenance Expenditure: 2019/2020.....	96
Table 74: Capital Expenditure - Funding Sources: 2018/2019 to 2019/2020	100
Table 75: Cash Flow Outcomes.....	101
Table 76: Actual Borrowings: Year 2018/2019 to 2019/2020.....	102
Table 77: Municipal Investments.....	103
Table 78: Auditor-General Report on Financial Performance Year 2018/2019	104
Table 79: Auditor-General Report on Service Delivery Performance 2018/2019	105
Table 80: Auditor-General Report on Financial Performance Year 2019/2020.....	105
Table 81: Auditor-General Report on Service Delivery Performance 2019/2020	106

FIGURES

Figure 1: Map - Overberg District	11
Figure 2: Background data from MERO 2020	12
Figure 3: Person indicators	14
Figure 4: Access to Basic Services	14
Figure 5: Total Capital Expenditure.....	17
Figure 6: Combined Assurance Framework	27
Figure 7: Performance per Strategic Objective.....	31
Figure 8: Projected vs estimated available air space for Cell 4.....	34
Figure 9: Roads Infrastructure Costs.....	37
Figure 10: Overberg District: Sectoral analysis and forecast scenarios for GVA.....	41
Figure 11: Overberg District: Social analysis and forecast scenarios for Employment	42
Figure 12: Geographical distribution of Atmospheric Emission License holders.....	44
Figure 13: Development applications assessed per sector.....	46
Figure 14: Average number of days sick leave.....	84
Figure 15: Workforce Expenditure Trend	88
Figure 16: Management of Assets – Repair & Maintenance and Depreciation & Asset Impairment over Total Assets.....	96
Figure 17: Repair and Maintenance (Excl. Roads) over Operating Expenditure.....	96
Figure 18: Liquidity Ratio	97
Figure 19: Cost Coverage Ratio	97
Figure 20: Service Debtors Ratio.....	97
Figure 21: Debt Coverage Ratio	98
Figure 22: System Efficiency Ratio	98
Figure 23: Capital Charges to Operating Expenditure Ratio	98
Figure 24: Employee Related Cost to Operating Revenue.....	98
Figure 25: Capital Expenditure 2019/2020	99
Figure 26: Actual Borrowing	102

ACRONYMS

<i>AEL</i>	<i>Atmospheric Emission License</i>
<i>AG</i>	<i>Auditor-General</i>
<i>ALD</i>	<i>Alderman</i>
<i>ANC</i>	<i>African National Congress</i>
<i>ASB</i>	<i>Accounting Standards Board</i>
<i>APAC</i>	<i>Audit and Performance Audit Committee</i>
<i>CFO</i>	<i>Chief Financial Officer</i>
<i>CLLR</i>	<i>Councillor</i>
<i>COMAF</i>	<i>Communication of Audit Finding</i>
<i>COSO</i>	<i>Committee of Sponsoring Organisations of the Treadway Commission</i>
<i>CommTech</i>	<i>Communications Technical</i>
<i>CPD</i>	<i>Continuing Professional Development</i>
<i>CRO</i>	<i>Chief Risk Officer</i>
<i>CSD</i>	<i>Central Supplier Database</i>
<i>CWP</i>	<i>Community Work Programme</i>
<i>DA</i>	<i>Democratic Alliance</i>
<i>DAPOTT</i>	<i>District Agri Parks Operational Task Team</i>
<i>DCAS</i>	<i>Department of Cultural Affairs and Sport</i>

CONTENT

<i>DCF</i>	<i>District coordinating Forum</i>
<i>DEDAT</i>	<i>Department of Economic Development and Tourism</i>
<i>DEFF</i>	<i>Department of Environment, Forestry and Fisheries</i>
<i>DFRI</i>	<i>District Funding Research Initiative</i>
<i>DM</i>	<i>District Municipalities</i>
<i>DORA</i>	<i>Division of Revenue Act</i>
<i>EHP's</i>	<i>Environmental Health Practitioners</i>
<i>EPIP</i>	<i>Environmental Protection and Infrastructure Programme</i>
<i>EPMDS</i>	<i>Employee Performance Management and Development System</i>
<i>EPWP</i>	<i>Expanded Public Works Programme</i>
<i>FTEs</i>	<i>Full-Time Equivalents</i>
<i>FARMC</i>	<i>Fraud and Risk Management Committee</i>
<i>GDPR</i>	<i>Gross Domestic Product Review</i>
<i>GRAP</i>	<i>Generally Recognised Accounting Practices</i>
<i>HPCSA</i>	<i>Health Profession Council South Africa</i>
<i>ICLEI</i>	<i>International Council for Local Environmental Initiative</i>
<i>ICT</i>	<i>Information and Communication Technology</i>
<i>IDP</i>	<i>Integrated Development Plan</i>
<i>IGR</i>	<i>Intergovernmental Relations</i>
<i>IIWG</i>	<i>IDP Indaba Working Group</i>
<i>IRMSA</i>	<i>Institute of Risk Managements South Africa</i>
<i>ISO</i>	<i>International Organisation for Standardisation</i>
<i>ITP</i>	<i>Integrated Transport Plan</i>
<i>JDA</i>	<i>Joint District Approach</i>
<i>JOC</i>	<i>Joint Operational Centre</i>
<i>KPI</i>	<i>Key Performance Indicator</i>
<i>LAB</i>	<i>Local Action for Biodiversity</i>
<i>LED</i>	<i>Local Economic Development</i>
<i>LG</i>	<i>Local Government</i>
<i>LG MTEC</i>	<i>Local Government Medium Term Expenditure Committee</i>
<i>LGSETA</i>	<i>Local Government Sector Education and Training Authority</i>
<i>LLF</i>	<i>Local Labour Forum</i>
<i>LTO</i>	<i>Local Tourism Offices</i>
<i>MCC</i>	<i>Municipal Coastal Committee</i>
<i>MEC</i>	<i>Member of the Executive Council</i>
<i>MERO</i>	<i>Municipal Economic Review and Outlook</i>
<i>MFIP</i>	<i>Municipal Financial Improvement Program</i>
<i>MFMA</i>	<i>Municipal Finance Management Act</i>
<i>MGRO</i>	<i>Municipal Governance Review & Outlook</i>
<i>MIG</i>	<i>Municipal Infrastructure Grant</i>
<i>MSA</i>	<i>Municipal System Act</i>
<i>mSCOA</i>	<i>Municipal Standard Chart of Accounts</i>
<i>MPAC</i>	<i>Municipal Public Account Committee</i>
<i>NAIS</i>	<i>National Atmospheric Emission Inventory System</i>
<i>NEMA</i>	<i>National Environmental Management Act</i>
<i>NGO's</i>	<i>Non-Governmental Organisations</i>
<i>NT</i>	<i>National Treasury</i>
<i>ODM</i>	<i>Overberg District Municipality</i>
<i>PAA</i>	<i>Public Audit Act</i>
<i>PACA</i>	<i>Participatory Appraisal of Competitive Advantage</i>
<i>PAEL</i>	<i>Provincial Atmospheric Emission license</i>
<i>PDOs</i>	<i>Predetermined Development Objectives</i>
<i>PG</i>	<i>Page</i>
<i>PT</i>	<i>Provincial Treasury</i>
<i>Rep/PPCOMM</i>	<i>Representative Public Participation and Communication Forum</i>
<i>RED</i>	<i>Regional Economic Development</i>
<i>RRAMS</i>	<i>Rural Roads Asset Management System</i>
<i>RSC</i>	<i>Regional Service Council</i>
<i>RTO</i>	<i>Regional Tourism Office</i>

CONTENT

<i>SALGA</i>	<i>South African Local Government Association</i>
<i>SALGBC</i>	<i>South African Local Government Bargaining Council</i>
<i>SANS</i>	<i>South African National Standard</i>
<i>SANDF</i>	<i>South African National Defence Force</i>
<i>SARS</i>	<i>South African Revenue Services</i>
<i>SAPS</i>	<i>South African Police Service</i>
<i>SCM</i>	<i>Supply Chain Management</i>
<i>SPLUMA</i>	<i>Spatial Planning and Land Use Management Act</i>
<i>SDF</i>	<i>Spatial Development Framework</i>
<i>SDBIP</i>	<i>Service Delivery and Budget Implementation Plan</i>
<i>VAT</i>	<i>Value added tax</i>
<i>WC</i>	<i>Western Cape</i>
<i>WCDIF</i>	<i>Western Cape District Integrated Forum</i>
<i>WESGRO</i>	<i>Western Cape Tourism, Trade and Investment Promotion Agency</i>
<i>WOs</i>	<i>Work Opportunities</i>
<i>WOSA</i>	<i>Whole of Society Approach</i>
<i>WTM</i>	<i>World Travel Market</i>

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD



It gives me great pleasure to present the 2019/2020 Annual Report for the Overberg District Municipality.

Vision

Overberg – the opportunity gateway to Africa through sustainable services

Mission

To render sustainable, customer-directed services and to be the preferred Provider of Shared Services within the Overberg.

Policy Development

The strategic goals were formulated to achieve freedom, fairness and opportunity within the community and to direct an open opportunity society through diversity and delivery of the goals. The strategic goals were aligned with Government Objectives, National Outcomes, National Development Plan and with the Western Cape Provincial Strategic Plan.

The five-year strategic goals (SGs) as adopted by Council for the period 2017-2022 are:

- **SG 1** To ensure well-being of all in the Overberg through the provision of **efficient basic services and infrastructure**.
- **SG 2** To **promote regional economic development** by supporting initiatives in the district for the development of a sustainable district economy.
- **SG 3** To ensure **municipal transformation and institutional development** by creating a staff structure that would adhere to the principles of employment equity and promote skills development.
- **SG 4** To attain and maintain **financial viability** and sustainability by executing accounting services in accordance with National policy and guidelines.
- **SG 5** To ensure **good governance practices** by providing a democratic and pro-active accountable government and ensuring **community participation** through IGR structures.

The adopted Performance Management System monitors the implementation of the strategic goals and budget. Key performance indicators and targets were assigned to each of the strategic outcomes. These indicators have been measured and monitored throughout the year and all relevant information was captured on an electronic performance management system. Continuous monitoring of performance and corrective measures resulted in the fulfilment of the Municipality’s responsibilities in accordance with its strategic goals and legislative mandate during the reporting period.

In March 2020, the President addressed the nation on measures to combat the COVID-19 pandemic and declared a State of National Disaster in terms of the National Disaster Act. In response, the municipality shifted its focus in the way of working and to find solutions that would prevent the spread of the Coronavirus in the District. A COVID District Joint Operational Centre was established consisting of all role players to manage the pandemic in the District.

The COVID-19 pandemic is an unprecedented global crisis with devastating health, economic and social impact on the country and thus also affects the Overberg District at large, as the District’s economy is dependent on tourism and exports. The pandemic also had an impact on the operations of the municipality in the last quarter of the year.

Key Service Delivery Improvements

Some of the key achievements during the year included: The establishment of a Social Development forum, which contributed to the mitigating efforts of the COVID-19 pandemic. In June 2019 the Municipality started with its first Firefighters One Training classes and in October 2019, 21 Firefighters qualified as fully-fledged firefighters. The

Municipality succeeded to maintain a high standard in the operation at the Karwyderskraal Regional Landfill Site and the compliance with the license conditions.

Public Participation

Public Participation is of utmost importance to our District and therefore we created an open opportunity for our clients, the four Local municipalities, and other stakeholders through various platforms

Future Actions

- To develop a District Economic Recovery Plan focusing on safety, dignity, well-being and job creation as an addendum to the RED/Tourism Strategy. Out of this Recovery plan short-term projects will be identified for immediate implementation. The establishment of a drug rehabilitation centre for the region as part of the Joint District Approach initiatives.
- Focus on organic waste separation of all waste received at Karwyderskraal Landfill facility.
- Alien vegetation clearing in all B Municipal areas as part of the climate change initiative and water security in catchment areas in the Overberg.
- To increase water storage capacity in order to enhance economic development and water security.

Conclusion

I would like to express my gratitude to the Executive Mayoral Committee and all the Councillors for their contribution and commitment towards realizing the Vision and making a difference in the lives of all in the Overberg. I would also like to thank the Management team and Staff members for their support and commitment during the year.

Ald A E Franken
Executive Mayor
Overberg District Municipality

COMPONENT B: EXECUTIVE SUMMARY**1.1 MUNICIPAL MANAGER'S OVERVIEW**

This Report provides an overview of the performance and progress made by the Overberg District Municipality in fulfilling its strategic goals and priorities, as aligned with the Integrated Development Plan (IDP), Budget as well as National and Provincial Government strategic directives. Reflecting on the 2019/2020 Financial Year, this report captures the considerable effort made by the Overberg District Municipality to advance the efficiency and effectiveness of service rendering to the community and stakeholders.

The Municipality continues to focus on efforts to strengthen governance structures, through the review and adoption of policies, procedures, improving systems and implementing new regulations. The Municipality continuously reviews the organisational structure to improve the functionality and alignment to the Municipality's strategy and to promote service delivery.

The past year offered some unique challenges. The greatest challenge affecting all of us is the COVID-19 pandemic. Due to the pandemic the Municipality was forced to rethink the way of conducting business. Alternative methods such as virtual meetings and working from home were implemented. However, the lockdown levels instituted impacted on operations as well as some of the performance targets of the Municipality.

The Municipality is mainly dependent on government grants and support with limited own funding resources. The total revenue received for the 2019/2020 Financial Year amounted to R221,4 million, with a total expenditure of R215.4 million, resulting in a net surplus of R6 million. The total liabilities of the Municipality amounted to R108,5 million (current liabilities R37 million and long-term liabilities R71,4 million). Assets, both current and non-current, exceeded the liabilities indicating that the Municipality will be able to meet all its responsibilities.

The Western Cape Provincial Government responded to the President's call for a District Development Model by conceptualising the Joint District Approach (JDA). The JDA is a regional theme-based approach which necessitates co-planning, co-budgeting and co-implementation.

I would like to highlight the following as critical elements that the Administration will focus on for the next Financial Year to improve on the efficiency and effectiveness of the Municipality:

- Continued efforts in ensuring the Municipality is financially sustainable;
- Increased innovative and strategic thinking – mitigating risks and identifying potential opportunities; and
- Continue to render high quality services in partnership with our counterparts in the District.

The Shared Services for Risk Management is still ongoing. Fire services are also delivered on a shared service and a co-operative model to the Local municipalities in the District.

The Fraud and Risk Management Committee, under the leadership of the Municipal Manager, meets quarterly as well as the Audit- and Performance Audit Committee. During the Financial Year, formal risk assessments of all departments were completed and measured to mitigate all identified risks affecting the Municipality. All the risks were included in a risk register with action plans for monitoring and management purposes. The Municipality also did a risks assessment to determine the impact of COVID-19 on the organisation.

Considering the difficult economic climate, the country is currently experiencing, the Municipality is proud to state that there is no mismanagement of funds and that, as Municipal Manager, I consider the Administration to be committed and competent.

I would like to extend my sincere appreciation to the Executive Mayor, Executive Mayoral Committee, Councillors and Staff for their dedication towards serving the communities and all stakeholders.

David Beretti
Municipal Manager
Overberg District Municipality

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Overberg District Municipality (ODM) is classified as a ‘Category C’ municipality and functions within a legislative framework. The Municipality is situated in the south of the Western Cape and is bordered by the Indian and Atlantic Oceans to the south, and Cape Town (Cape Metro), Cape Winelands District and Garden Route District to the west, north and east respectively. The District covers 12 239 square kilometers and is known for its coastline and vast farmlands. The Overberg District Municipality’s headquarters is in Bredasdorp, with regional offices in Hermanus, Caledon and Swellendam.

The Overberg District consists of four (4) local municipalities (Category B Municipalities), namely Theewaterskloof, Overstrand, Cape Agulhas and Swellendam.



Theewaterskloof Local Municipality with its headquarters in Caledon includes Genadendal, Grabouw, Villiersdorp, Greyton, Bot River and Rivieronsderend. Agricultural activities include wheat production, stock farming and fruit production



Overstrand Local Municipality with its headquarters in Hermanus includes Baardskeedersbos, Pearly Beach, Franskraal, Kleinbaai, Gansbaai, De Kelders, Stanford, Sandbaai, Onrus, Vermont, Hawston, Kleinmond, Betty’s Bay, Hangklip, Pringle Bay and Rooi Els. The area is mainly known as a tourism and holiday destination and is well known for its small fishing communities.



Cape Agulhas Municipality with its headquarters in Bredasdorp includes Arniston (Waenhuiskrans), Struisbaai, L’Agulhas, Suiderstrand, Napier and Elim. Agricultural activities include wheat production, stock farming and small fishing communities. Cape Agulhas Municipality is the southernmost municipality in Africa. Its coastline is surrounded by the Atlantic and Indian oceans which meet at the most southern town in Africa, namely L’Agulhas.

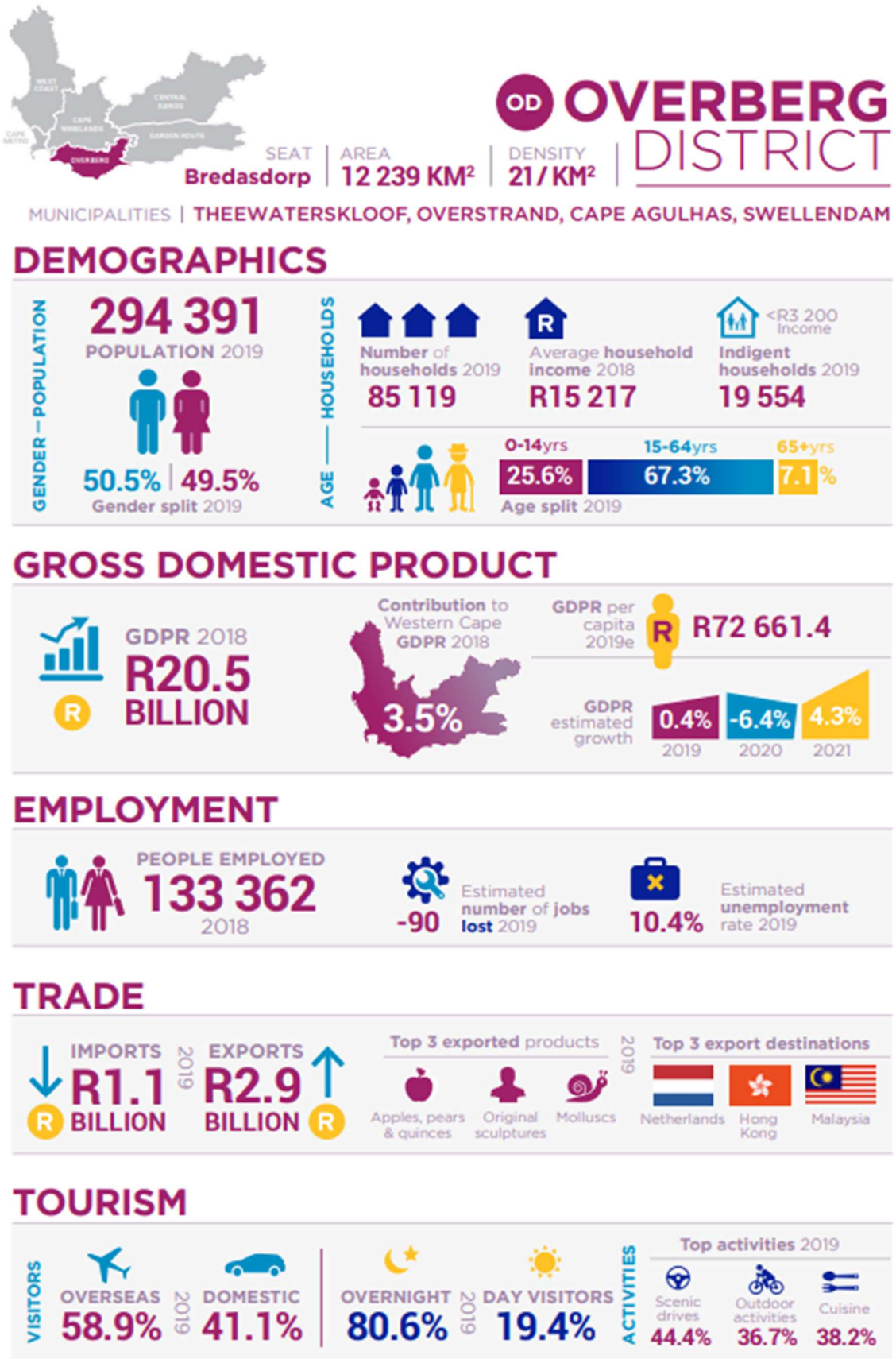


Swellendam Local Municipality with its headquarters in Swellendam includes Suurbraak, Buffeljagsrivier, Infanta and Barrydale. Agricultural activities include fruit, wheat, barley, youngberry, livestock, dairy farming, grapes for export and wine-making. Other sectors are retail and manufacturing, mining and quarrying. Swellendam is also known as a tourism destination.

Figure 1: Map - Overberg District



Figure 2: Background data¹ from MERO 2020



¹ MERO 2020

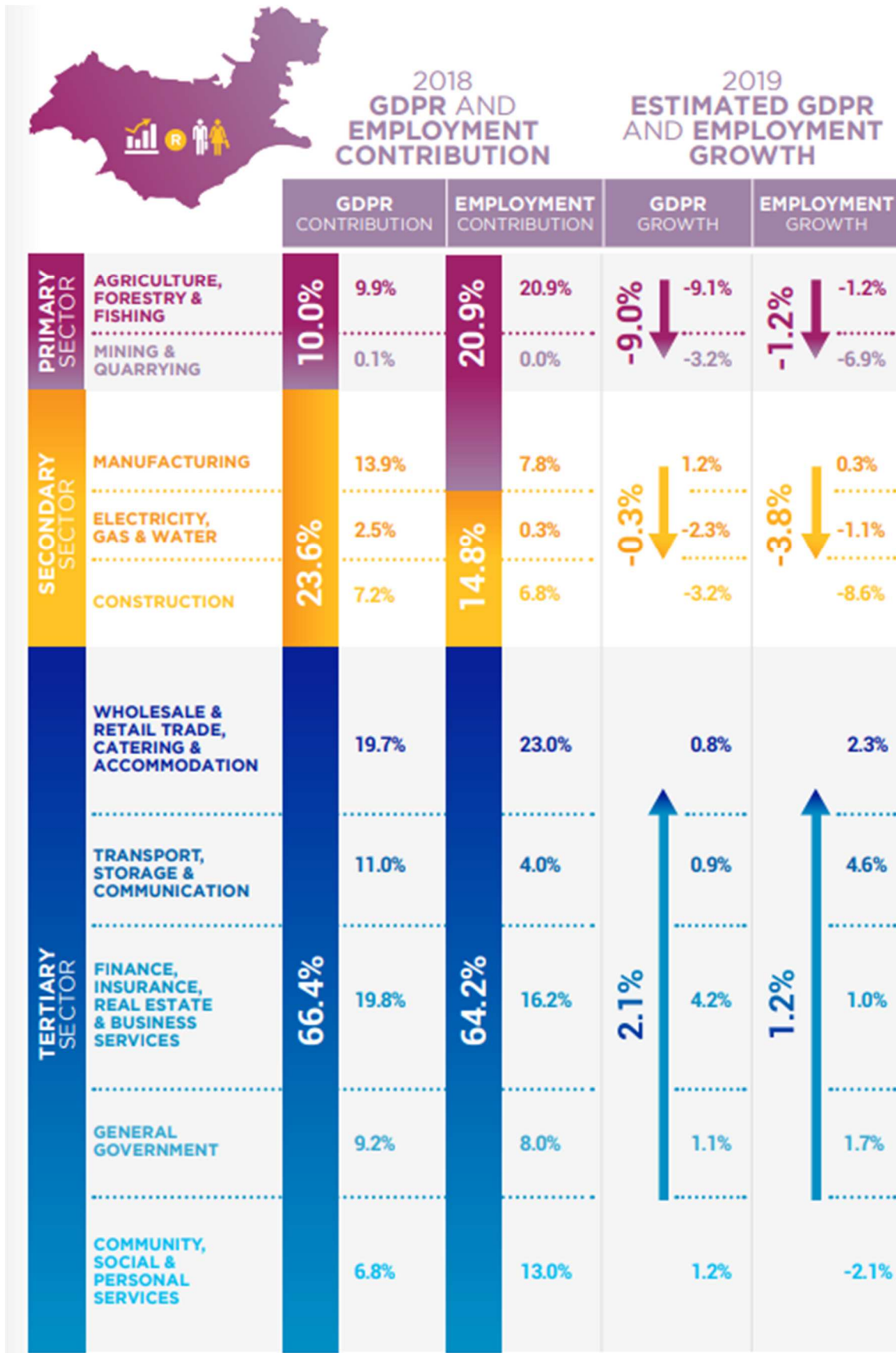


Figure 3: Person indicators²

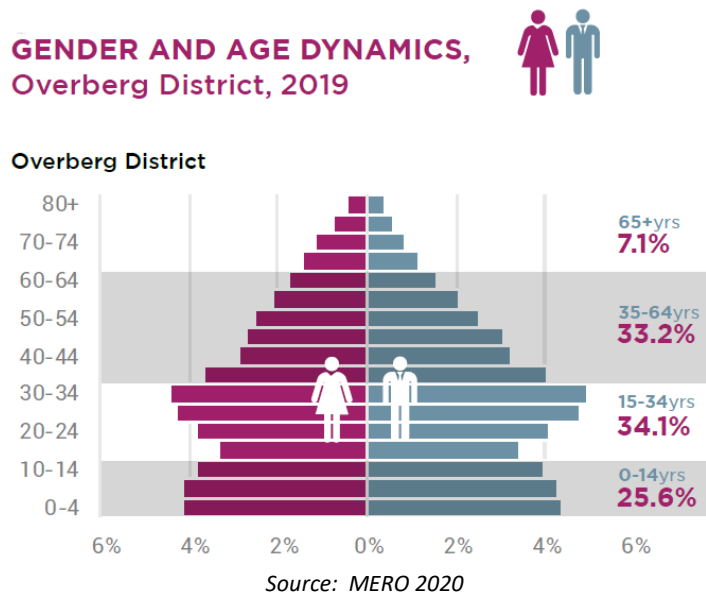
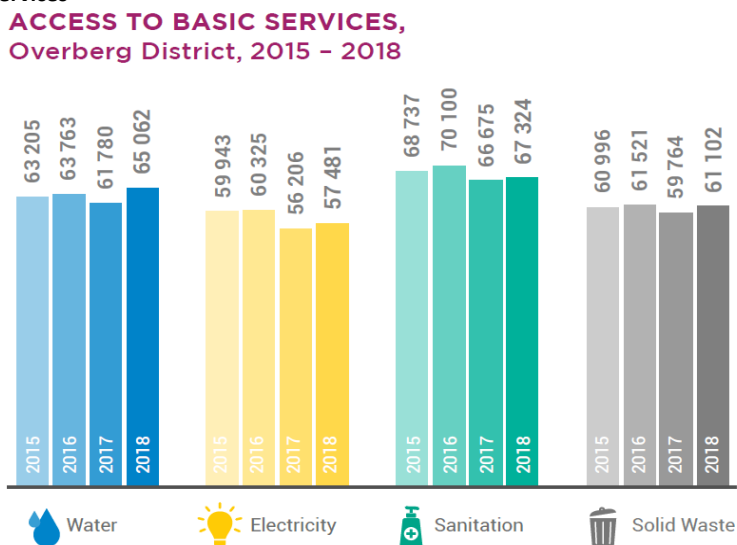


Table 1: Number of indigent households²

	2017		2018		2019	
	Number	% of households	Number	% of households	Number	% of households
● Theewaterskloof	4 530	15.3%	4 248	14.2%	6 706	22.1%
● Overstrand	7 418	23.2%	7 385	22.3%	7 630	22.2%
● Cape Agulhas	3 559	35.9%	3 277	32.6%	3 001	29.4%
● Swellendam	1 930	19.5%	1 975	19.7%	2 217	21.7%
Overberg District	17 437	21.4%	16 885	20.3%	19 554	23.0%

Figure 4: Access to Basic Services²



² MERO 2020

Table 2: Natural Resources

Natural Resources	
Major Natural Resource	Relevance to Community
Coast	Economic and job creation
Agriculture Resources	Economic and job creation
Water	Economic and job creation
Wine production	Economic and job creation
Tourism	Economic and job creation
Fishing	Economic and job creation
Fynbos	Export of flowers contributes to the economy and job creation in the district
Wheat production	Economic and job creation
Fruit production	Economic and job creation

COMMENTS ON BACKGROUND DATA

The Overberg District's population comprised slightly more males (50.5%) than females (49.5%), and the population was mainly aged between 15 and 34 years (34.1%), followed by individuals aged between 35 and 64 years (33.2%). Table 1 provides a municipal breakdown of the number and percentage of indigent households in the Overberg District between 2017 and 2019. Approximately 23.0% of households in the District were classified as indigent households in 2019, which is 2.7 percentage points higher than in 2018.

The Municipality is committed to social development and planning. A Social Development Forum was established and one of the focus areas is youth development. A successful Safety Summit was held on 8 & 9 October 2019 and a Safety Forum was established. Representatives on the forum are the local municipalities, SAPS, Community Policing Forum, Law Enforcement and the SANDF. The purpose of this forum is to address critical safety and security challenges, strengthening of Overberg-wide, district safety planning documentation, discussing and improving the law enforcement and traffic operations in the entire Overberg District, and determining policing needs and priorities, etc. The COVID-19 Pandemic impacted widely on the economy and jobs in the Overberg. **Focus area:** To develop a District Economic Recovery Plan focusing on safety, dignity and job creation.

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

As a district municipality, the ODM has no households and the functions of water, sanitation, electricity, refuse and housing, etc. are delivered by the local municipalities. For information on basic service delivery, see the annual reports of the Local Municipalities in the district.

The Overberg District Municipality is responsible for maintaining the provincial road network in the district, whilst streets in towns are the responsibility of the local municipalities.

Municipal Health is executed in terms of the National Health Act (Act 61 of 2003) to provide and facilitate comprehensive, pro-active and needs-related services to ensure a safe and healthy environment thereby preventing and eliminating disease.

The Municipality renders a fire and disaster management service in the municipal area of Swellendam, Theewaterskloof and Cape Agulhas and works on an agreement basis in the Overstrand area when necessary.

The Municipality continuously promotes sustainable development by means of commenting on various development applications regarding environmental issues, coastal management, solid waste management, climate change and biodiversity management.

Electricity

Eskom is the main supplier of electricity in the Overberg District area and sells electricity to the four Local Municipalities for distribution. Eskom also supplies electricity directly to the rural areas. The Municipality recognises the use of renewable energy as a means to generate electricity to supplement Eskom's needs. The Overberg Rûens area was

identified through a study by the Council for Scientific and Industrial Research (CSIR) as a suitable area for the placement of wind farms. Two windfarms are in operation in the Overberg district, one in Theewaterskloof Municipal area and one in Swellendam Municipal area. A third windfarm is in the process of being established in the Theewaterskloof Municipal area.

Water

The main sources of water in the Overberg district are boreholes, springs, dams, pools, rivers, streams and rainwater. The Overberg Water Board distributes water to the surrounding and rural areas of Cape Agulhas, Theewaterskloof and Swellendam. Catchments play an important role in the collection, storage and distribution of water in the Overstrand area.

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The Municipality submitted its Annual Financial Statements to the Auditor-General timeously. During the financial year all existing finance related policies were reviewed and an additional policy, namely the Cost Containment Policy was adopted to strengthen the financial management of the Municipality. Even though the Municipality cash position remains the same as the previous financial year, current controls must still be enforced to ensure that cash resources do not deplete. However, all creditors were paid within 30 days and all loan commitments honoured, which means that the Municipality was not in arrears with any payments towards service providers.

Although less revenue (5%) realized than was predicted in the Adjustment Budget, also much less was expense operationally (9%) than was provided in the Adjustment Budget. This resulted in an actual surplus of R6 million versus a deficit of R3.7 million that was forecast in the Adjustment Budget.

The main revenue sources that did not realize where Grants received that was not spent (R5.3 million) and thus not recognized as budgeted for as well as gains on disposal of properties (R5.1 million). The main expenditures that did not realize that amounts to R21.8 million, were provision for employee related cost, grant expenditures, financial provisions and actuarial gains instead of losses.

Please refer to chapter 5 of the annual report for more information on financial performance.

Table 3: Financial Overview 2019/20

Financial Overview 2019/2020			
			R'000
Details	Original budget	Adjustment Budget	Actual
<u>Income</u>			
Grants	78 701	83 081	75 743
Taxes, Levies and tariffs	26 843	26 858	26 042
Other	114 442	123 556	119 696
Sub Total	219 986	233 494	221 481
<u>Less Expenditure</u>	222 412	237 233	215 414
Net Total*	(2 427)	(3 739)	6 067
* Note: surplus/(deficit)			

Table 4: Operating Ratios

Operating Ratios		
Detail	2018/2019	2019/2020
Employee Cost	47.82%	50.72%
Repairs & Maintenance	5.20%	3.97%
Finance Charges & Depreciation	6.18%	5.47%

COMMENT ON OPERATING RATIOS

Employee cost represents 50.72% of total expenditure. This is still above the accepted norm, comparable to other district municipalities. The increase from the previous year, is due to various vacancies that had been filled during the financial year. Later in the report, the employee related expenses will be analysed in more detail.

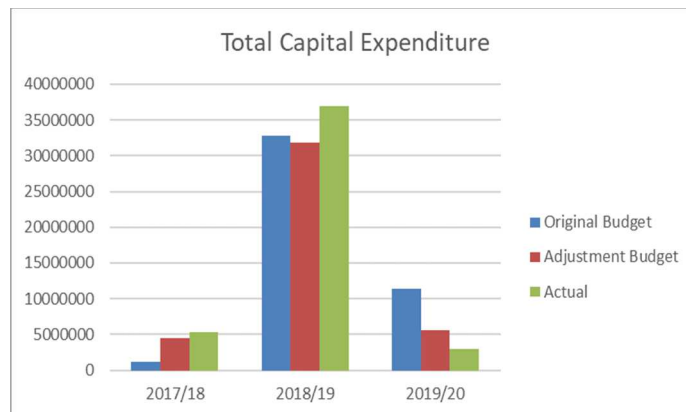
Repairs and maintenance are no longer a line item in the financial statements, but consist of employee related cost, contracted services and other expenditure that relates to a repairs and maintenance project. Repairs and maintenance as disclosed, was recalculated by excluding the Roads maintenance as well as the total Roads expenditure. Previously the calculation was done on the base of Total Expenditure **including Roads**. Now the ratio improved from the previous year’s recalculated ratio of 7.27% to just below the acceptable norm of 8%. See the detailed graph later in the report. (Chapter 5, page 96, Fig. 17)

Finance Charges and Depreciation cost slightly decreased to 5.47% which is still within the acceptable norm.

Table 5: Total Capital Expenditure: 2017/18 to 2019/20

Total Capital Expenditure: 2016/17 to 2019/20			
	R'000		
Detail	2017/18	2018/19	2019/2020
Original Budget	1 221	32 741	11 353
Adjustment Budget	4 470	31 869	5 652
Actual	5 332	36 982	3 001

Figure 5: Total Capital Expenditure



COMMENT ON CAPITAL EXPENDITURE

Two major projects, Caledon Fire Station and the expansion of Karwyderskraal Landfill facility, to the total value of R9 million was postponed to the next financial year due to the following reasons:

- The capital project “Fire Station” to the amount of R 2,9 million was removed as properties will not be sold timeously in the 2019/20 financial year to finance the project; and
- The capital project “Karwyderskraal” to the amount of R 6 128 111 was removed as the adjacent property owners are not willing to sell their properties next to Karwyderskraal and a new project needs to be identified.

However, projects to the value of R3.3 million were also rolled over from the previous financial year, R1.9 million from own funds and R1.4 million from Provincial grant funding. This resulted in an adjustment Capital Budget of R5.652 million.

The municipality under performed on the capital project expenditure by only spending 53% of the Adjusted Capital Budget, mainly due to the procurement processes of some projects were not able to be completed due to the lockdown resulting from the COVID-19 pandemic. Thus, projects to the value of R2.5 million were rolled over to the next financial year, R574 000 from own funds and nearly R2 million from grant funding which was applied for roll over at Provincial Treasury.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality's organizational structure consists of the Office of the Municipal Manager and three directorates, namely Directorate Finance, Directorate Corporate Services and Directorate Community Services. The organizational structure was reviewed, and the post of Director Corporate Services was amended to Senior Manager: Corporate Services.

The Municipal Manager, as the head of the administration, was assisted by the Chief Financial Officer and Director Community Services, while the Senior Manager: Corporate Services was appointed and took office on 11 September 2019.

Vacancies on the organizational structure will be filled as and when the budget allows.

1.6 AUDITOR-GENERAL REPORT

AUDITOR-GENERAL REPORT 2019/2020

The municipality received an audit outcome which is currently under review.

Table 6: Audit Opinions

Financial year	Audit Opinions
2017/2018	Unqualified without findings
2018/2019	Unqualified with findings
2019/2020	

See Chapter 6 - Auditor-General Audit Finding - Component A and B for the Auditor-General opinions for 2018/2019 and 2019/2020. Auditor-General report on the 2019/2020 financial year– **Appendix N**

1.7 STATUTORY ANNUAL REPORT PROCESS (The impact of the COVID-19 pandemic necessitates the postponement of the Legislative timeframe on the Annual Report Process with 2 months)

Table 7: Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of the 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 feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Municipality submits annual financial statements and draft Annual Report to Auditor- General.	October
5	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	
6	Audit and Performance Audit Committee considers draft Annual Performance Report and Financial Statements of the Municipality	November
7	Auditor-General assesses draft Annual Performance Report including consolidated Annual Financial Statements and Performance data	
8	Municipalities receive Auditor-General's comments	February
9	Municipalities start to address the Auditor-General's comments	February
10	Mayor tables draft Annual Report and Audited Financial Statements to Council complete with the Auditor-General's Report	March/ April
11	Audited Annual Report is made public and representation is invited	May
12	Oversight Committee assesses Annual Report	May
13	Council adopts Oversight report	May
14	Oversight report is made public	
15	Oversight report is submitted to PT, NT and MEC for Local Government	November
16	Commencement of Draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	

CHAPTER 2 - GOVERNANCE**INTRODUCTION TO GOVERNANCE**

Good governance is reflected by participatory, consensus-oriented, accountable, transparent, responsive, effective, efficient, equitable and inclusive government that complies with the rule of law and ethical considerations. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are being heard in decision-making. Good governance is also responsive to the present and future needs of a municipality.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE**

Section 151(3) of the Constitution states that the Council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community.

Council, as political governance, performs both legislative and executive functions and focuses on decision-making to formulate policy and to play an oversight and participatory role.

The Municipal Manager heads the administration and primarily serves as chief custodian of service delivery and implementation of political priorities.

2.1 POLITICAL GOVERNANCE**INTRODUCTION TO POLITICAL GOVERNANCE**

The Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council as well as the powers assigned by legislation. Although responsible for the strategic direction and performance of the Municipality, the Executive Mayor operates in consultation with the Executive Mayoral Committee.

The Council is controlled by a majority political party. Council is governed by applicable legislation, the Rules of Order and the Code of Conduct. The speaker is affiliated to a political party and elected to the role of speaker through a process of nomination and closed ballot voting by the Council. Should the speaker not be available, Council will appoint a person for each meeting through the closed ballot process.

The Council was democratically elected through the Electoral Act. The current Council was established on 30 August 2016 for a 5-year period. The composition of the Council is through a system of proportional representation based on that municipality's segment of the national common voters roll, and which provides for the election of members from lists of party candidates drawn up in a party's order of preference; or proportional representation combined with a system of ward representation based on the municipality's segment of the national common voters roll. The political structures deemed the Councillors to have the necessary competence to serve as a Councillor.

A Council member's experience is indicated by the title of Councillor or Alderman. Mayors can change status from Councillor to Alderman after a 5-year period; other Councillors after 10 years.

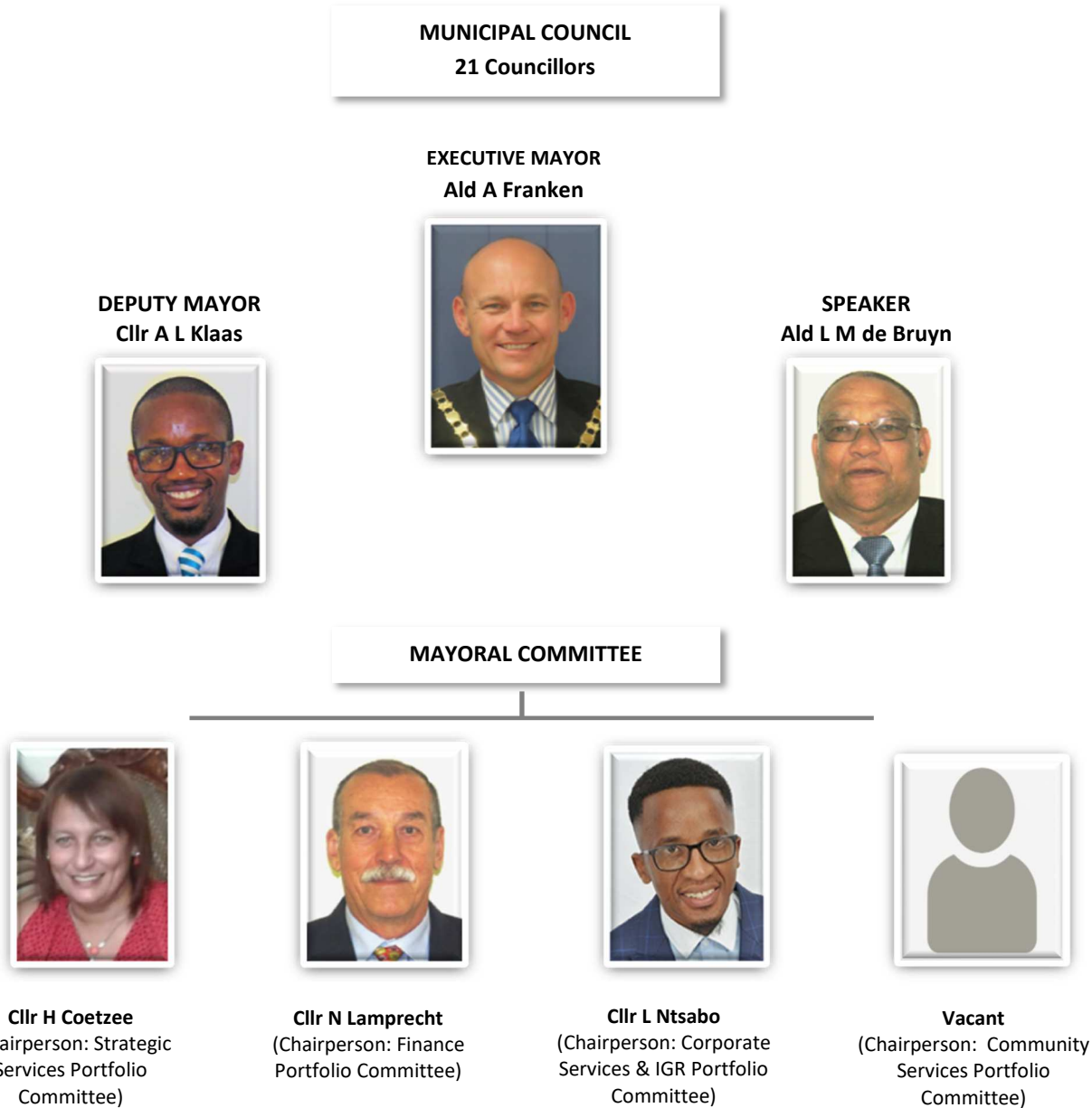
Council also established Section 80 Committees that specialise in specific functional areas of the Municipality. The committees advise on policy matters and make recommendations to the Mayoral Committee or the Council via the Executive Mayoral Committees. External members are appointed to the committees in areas where specific expertise is required to reflect an appropriate mix of knowledge, skills, experience, diversity and independence. The Municipality has 4 Section 80 Committees, viz. Finance, Corporate & Intergovernmental Relations, Strategic Services and Community Services.

The Audit and Performance Audit Committee is an independent advisory body that advises the Municipal Council, the political office-bearers, the accounting officer and the management staff of the Municipality on financial control, risk management, accounting policies, performance management and effective governance. The Municipality has a

Municipal Public Account Committee (MPAC), comprised of non-executive Councillors and chaired by a member of the opposition party. One of the tasks of the MPAC is to provide Council with comments and recommendations on the Annual Report. An Oversight report on the Annual Report is published separately in accordance with the MFMA guidelines.

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

POLITICAL STRUCTURE



COUNCILLORS

The Overberg District Municipality has 21 Councillors, 12 of which represent local municipalities and 9 of which are directly elected. The average age of Councillors is 53. During the year Councillor M Opperman passed away and was replaced by a Councillor J Orban, who took up duties on 19 August 2020. Alderman M Koch also left the Municipality and was replaced by Councillor G Mangcu.

Appendix A contains a full list of Councillors (including committee allocations and attendance at Council meetings). Please also refer to **Appendix B**, which sets out committee’s and committee purposes.

Councillors were remunerated according to “Determination of the Upper Limits for the Salaries, Allowances and Benefits of Municipal Councillors for the 2019/2020 financial year” Regulation. In order to ensure that Councillors fulfil their

obligations to their communities and support the achievement by the Municipality in an ethical manner, Councillors must adhere to the Code of Conduct as established in Schedule one (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), section 117 prohibits Councillors from being part of the tender process.

POLITICAL DECISION-MAKING

Political decisions are taken at a formal meeting where all participating political parties in Council have an equal opportunity to deliberate the items as per agenda whereafter a resolution is adopted. The Mayoral Committee also makes recommendations to Council on matters which have been delegated to it.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of legislation, the Municipal Manager is the head of administration and accounting officer of the Municipality. He must provide guidance to political structures and political office-bearers of the Municipality to comply with legislation.

The Municipal Manager is ultimately responsible for all the departments, namely Corporate Services, Finance and Community Services.

TOP ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER
Mr D P Beretti
*BComm. MPA (UCT) MILGM FIAC IPMF
 MHRP*



Directorate Finance
CHIEF FINANCIAL OFFICER
Mr. C F Hoffmann
BCompt



Directorate Corporate Services
SENIOR MANAGER CORPORATE SERVICES
Mrs. L Potgieter
*LLM (Labour Law),
 Post M HR Management*



Directorate Community Services
DIRECTOR COMMUNITY SERVICE
Mr. P A Oliver
MPS (US)

The municipal manager is appointed by Council on a fixed-term contract. His contract has a 30-day notice period and follows the process in terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). A disciplinary process may be followed if needed. The succession plan for the municipal manager determines that the municipal manager may not be in office longer than one year after the election, except when he is re-appointed. The Municipal Manager was assisted by two directors who are appointed on fixed-term contracts (Section 56), that is the Director Community Services and a Chief Financial Officer (CFO). The Directorate Corporate Services is supervised by a Senior Manager: Corporate Services who was appointed on 11 September 2019 on a permanent contact.

Appendix C provides the third-tier administrative structure.

COMPONENT B: INTERGOVERNMENTAL RELATIONS**INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

Several intergovernmental relation (IGR) structures promote and facilitate co-operative governance and intergovernmental relations between the respective spheres of government. Intergovernmental relations are regulated by the Intergovernmental Relations Framework Act, 2005. The IGR structures assist in aligning municipal planning and development initiatives, promotes an approach which fosters shared service agreements and collaborates on matters of mutual concern to the district.

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

2.3 INTERGOVERNMENTAL RELATIONS**NATIONAL INTERGOVERNMENTAL STRUCTURES**

Participation in national structures takes place indirectly through district and provincial intergovernmental structures, for example IDP structures, SALGA, Premiers Co-ordination Forums and District Co-ordination Forums. With these engagements, the District Municipality and Local Municipalities filtered items to national level to ensure coordination.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Politicians and management actively participated in the following provincial intergovernmental structures:

Premier's Co-ordination Forum, MinMay, Provincial SDF Forum, Provincial Treasury Forums, MGRO, Provincial Public Participation & Communication, Joint District Approach (JDA) District Interface Team, Provincial Communication Technical Forum, LG MTEC, Chief Audit Forum, Chief Risk Officers' Forum, Chief Financial Officers' Forum, Provincial LED Forum, Western Cape Municipal Health Working Group, Western Cape Air Quality Forum, Western Cape Food Control Committee, Provincial Disaster Management Advisory Forum, Provincial Fire Working Groups, Provincial Waste Management Forum, Provincial Estuary Management Task Team, Coastal Committee, Provincial Disaster Management: Head of Centre Management, IDP Indaba, Provincial IDP Indaba Working Group (IIWG), Provincial IDP Managers' Forum, Integrated Municipal Health Promotion Working Group, Provincial Safety Forum, Municipal Managers' Forum, Speakers Forum and various SALGA Working Groups.

Attendance at the above-mentioned IGR forums serves as a platform to enhance co-operative governance, share best practices and seek strategic consensus in addressing national, provincial and local priorities.

The District Municipality succeeded in developing an Integrated Development Plan (IDP) for the District, which is one of the most important instruments of co-operation between the National Government, Provincial Government and Local Government.

The Municipality has sound relations with the Department of Transport and Public Works relating to the road agency function delivered on their behalf. The Municipality also signed a Memorandum of Understanding with the Department of Social Development.

RELATIONSHIPS WITH MUNICIPAL ENTITIES - No municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The District Municipality, Local Municipalities and other role-players actively take part in the following district intergovernmental structures:

The District coordinating Forum (DCF), DCF Tech, District IDP Managers' Forum, Disaster Management Advisory Forum, IDP Rep/Public Participation & Communication Forum, District LED/Tourism Forum, District Skills Development Forum, District Safety Forum, Integrated Municipal Health Promotion Working Group, Air Quality Officers Forum, Regional Waste Management Forum, Municipal Coastal Committee, Karwyderskraal Landfill Monitoring Committee, District Fire

Working Group, Disaster Management Advisory Forum, Overberg EPWP Forum, District Land Reform, District Joint Operational Centre, ICT forum, Western Cape Districts Integrated Forum and others.

The benefit of the forums is that problems and solutions emanating from them can be utilized to the benefit of the community. The forums give strategic direction and development and serve as a structured way of communication.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

In terms of Section 15(b) of the Municipal Systems Act, 2000 (Act 32 of 2000) a municipality is required to establish and organise its administration to facilitate a culture of accountability among its staff. Section 16 (i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

Guided by the principles of King IV, the Overberg District Municipal Council's primary governance role and responsibilities, principles towards good corporate governance and governance outcomes are enhanced by way of (a) steering and setting the strategic direction; (b) approving policy and planning; (c) overseeing and monitoring; and (d) ensuring accountability. The benefits that the ODM derive through these good governance practices, include ethical culture, good performance, effective control and legitimacy. For the 2019/2020 period, the ODM ensured:

Good IGR structures exist throughout all its activities. The purpose is to align, promote and assist the Municipality in respect of shared service agreements and to collaborate on matters of mutual concern in the District. Good relationship between all political parties, which results in a functional Council. New and revised policies were approved during the year to give the administration clear guidance.

Accountability and community participation were enhanced by engagements through media, publication, electronically, IDP public Participation meetings and communication tools for Budget Annual Report and sector plans linked to the IDP, etc. This is further enhanced through other direct engagements with the local municipalities and sectors in the district. In this regard, priority issues from local municipal areas are incorporated into the Integrated Development Plan of the District Municipality. The Council meeting is also open to the public.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

PUBLIC PARTICIPATION AMIDST THE COVID-19 PANDEMIC

Sections 83 and 84 of the Municipal Structures Act, 1998 (Act 117 of 1998) compels a district municipality to ensure integrated development planning for the district as a whole. Section 17 of the Municipal Systems Act further requires a municipality to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality. During the 2019/2020 period, the Overberg District Municipality continued with its awareness campaigns with a view to informing and encouraging community participation.

The 2020/2021 Draft IDP Review and Budget was tabled to Council on 25 March 2020 and published for public comment till 8 May 2020. However, traditional public participation processes were compromised by the COVID-19 pandemic and municipalities were challenged in respect of public representations as documents could not be published at the usual community access points. Municipalities were therefore obliged to improvise and seek alternative methods of communicating with stakeholders and communities at large. To encourage and invite comment, a Regional Booklet was developed with the aim of taking the public on board in respect of the integrated development plans and budgets of municipalities.

The predominant purpose and underlying philosophy of the booklet, "IDPs In a Nutshell", was to encourage community input by providing key municipal capital projects per ward for the 2020/2021 period. The Western Cape Provincial Government financial footprint by way of spatial mapping, as well as catalytic Joint District Approach (JDA) projects, were also included. Contact numbers of IDP officials were provided should citizens have any comment or questions pertaining to planned projects in their respective areas.

With the assistance of Community Development Workers (CDWs), in excess of 5000 regional booklets were printed and delivered to local municipalities for distribution at key food distribution points during April and May 2020. This assisted in reaching the most vulnerable who do not necessarily have access to technology or who cannot read or write. Lockdown protocols were observed throughout.

COVID-19 COMMUNICATION CAMPAIGN

In June 2020 a need was identified to raise awareness around the importance of wearing a mask, particularly since the Overberg was announced a COVID-19 hotspot. Despite all-of-government efforts in raising awareness and keeping communities informed by way of various social media mechanisms, some community members still do not wear masks and alternative communication methods had to be sought. Not everyone has access to technology or possibly cannot read or write, so it was considered best to raise awareness by doing a door-to-door community survey accompanied by loud hailing.

Community Outreach: The assistance of ODM Environmental Health Practitioners (EHPs), Community Development Workers (CDWs) and Environmental Ambassadors recruited by the National Department of Environment, Forestry & Fishing (DEFF), was secured to assist with roll-out of the community outreach project. The Ambassadors form part of the Thuma Mina Good Green Deeds project and in total, the Overberg region has 88 ambassadors with an allocation of 22 per local municipal area. The assistance of the CDWs further strengthens the partnership and strategic outcomes of the Memorandum of Understanding concluded with DLG. EHPs provided COVID-19 training to the CDWs and Ambassadors to further ensure preparedness and safety when going out into the communities.

Door-to-Door Survey: The outreach was also recognised as the perfect opportunity to enquire why some communities lack interest in attending municipal engagements. For this purpose, a 5-point questionnaire was developed to address the wearing of masks, as well as public participation and preferred communication methods. The door-to-door survey was considered the ideal opportunity to establish the best method for municipalities to communicate with communities. Project planning was finalised in June 2020, for commencement in July 2020.

Table 8: District and Provincial Integrated Development Planning (IDP) And Communications Stakeholder Structures

Structure	Date	Outcomes	Stakeholders
OVERBERG DISTRICT STRUCTURES			
IDP Steering Committee	22.10.2019	Managers on 2019/2020 KPIs - achievement during Quarter 1 and progress of Quarter 2.	<ul style="list-style-type: none"> ▪ Mayco / Full Council ▪ Senior Management
	24.02.2020	In the form of a Strategic Session of Council; Departmental implementation of Council Strategic Goals; progress of KPIs; and reaffirmation of Council strategic trajectory.	
District IDP Managers Forum	23.07.2019	Regional alignment of 2019/2020 Time Schedules.	<ul style="list-style-type: none"> ▪ District IDP & Comms ▪ Local Municipal IIDP Practitioners ▪ Provincial IDP Directorate ▪ Provincial Sector Departments
	16.09.2019	Presentations on 2019/2020 Time Schedules; Status of Overberg IDP Rep/PPComm Forum structure.	
	02.12.2019	Joint District Approach (JDA); Presentations by Provincial Sector Departments on financial footprint in Overberg.	
	06.02.2020	JDA; Sector feedback on prioritized community needs; Draft 3 rd IDP Review approach; IDP and public participation mechanisms iro Draft IDP Review.	
	08.04.2020	Consultations with Local Municipalities on Regional Booklet on Draft 2020/2021 IDPs.	
	30.06.2020	Terms of Reference Provincial IDP Managers Forum; Community Survey Overberg District; IDP/Budget Time Schedules 2020/2021; IDP Planning Cycle and Process.	
District Sector/Stakeholder Engagement	02.12.2019	Joint District Approach (JDA); Provincial Sector Departments financial footprint in Overberg.	<ul style="list-style-type: none"> ▪ Provincial Sectors ▪ Ward Committees

District Communicators Forum	13.08.2019	Introductory engagement for establishment of forum.	<ul style="list-style-type: none"> ▪ District IDP & Comms ▪ Local Municipal Communicators ▪ Provincial Communications ▪ GCIS
	06.11.2019	Official establishment of Overberg District Communicators Forum	
	26.02.2020	Adoption of Terms of Reference; Local Municipal and Department Local Government reports on communication activities; Joint District Approach.	
	16.07.2020	The New Normal; Overberg Hotspot Comms; Revised Terms of Reference in light of COVID-19; JOC Reports.	
PROVINCIAL STRUCTURES			
Provincial IDP Managers Forum	19-20.09.2019	2019/2020 Time Schedules	▪ Western Cape Munics
	05-06.12.2019	Preparation of Draft 3 rd IDP Reviews; Workshop on Disaster Management chapter in IDP.	▪ Western Cape Munics
	05-06.03.2020	Workshop on IDP/SDF review and amendment	▪ Provincial Disaster Mgt
Provincial Public Participation	15.08.2019	Ward Committee and public participation feedback;	
	21-22.11.2019		
	20-21.02.2020		
Provincial CommTech Forum	30.08.2019	Report on Provincial & Municipal communications activities	
	15.11.2019		
	12-13.03.2020		
Provincial Thusong Program	28-29.11.2019	Thusong Centre activities and community outreaches	▪ WC Municipalities
INTEGRATED PROVINCIAL/MUNICIPAL ENGAGEMENTS			
Technical Integrated Municipal Engagement (TIME)	18.02.2020	Provincial / Department Local Government / Municipal interface	<ul style="list-style-type: none"> ▪ Provincial Government ▪ Overberg Municipalities
LG MTEC	05.05.2020	Provincial Treasury assessment and Municipal response on District IDP and Budget	<ul style="list-style-type: none"> ▪ Provincial Treasury ▪ Senior Management
WESTERN CAPE DISTRICTS STRUCTURE			
Western Cape Districts Integrated Forum (WCDIF)	20.11.2019	Horizontal and vertical alignment of Districts with National and Provincial Government directives.	▪ Western Cape District IDP Managers

2.5 IDP PARTICIPATION AND ALIGNMENT

Table 9: IDP Participation and Alignment Criteria

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
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26, Municipal Systems Act 2000	

COMPONENT D: CORPORATE GOVERNANCE**OVERVIEW OF CORPORATE GOVERNANCE**

Corporate governance is the system rules, practices and processes by which municipalities direct and control their functions in relation to the relevant stakeholders.

The Municipality strives to govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the Municipality being ethical and a good corporate citizen. The Municipality therefore embarked to adhere to the disclosure requirements of the King IV principles. The overarching objective of King IV™ is to make corporate governance more accessible and relevant to a wider range of organisations, and to be the catalyst for a shift from a compliance-based mindset to one that sees corporate governance as a lever for value creation. The planned area of future focus is the consolidation of compliance activities to limit duplications in the compliance environment.

The Fraud and Risk Management Committee reviewed the Combined Assurance Policy Framework on 19 June 2020, for recommendation to the Audit & Performance Audit Committee and Council for approval. The aim is to optimise the assurance coverage obtained from Council, management, corporate support functions, internal and external assurance providers on the risk areas affecting the Municipality of which the Fraud and Risk Management, Internal Audit and the Audit & Performance Audit Committee forms an integral part.

2.6 RISK MANAGEMENT**RISK MANAGEMENT**

In terms of section 62(1)(c) of the MFMA, the accounting officer of the municipality must take reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control; accompanied by the crucial motto of the public sector: “that the resources of the municipality are used effectively, efficiently and economically”.

The risk management function was performed by a Chief Risk Officer on a Shared Service agreement between four participant municipalities in the district. The position of the Chief Risk Officer was filled on a temporary contract from 1 February 2020. In the period before the filling of the position each municipality was responsible for its own risk function.

The Fraud & Risk Management Committee at the Overberg District municipality consists of the Municipal Manager, Directors, IDP Manager, Performance Management and an independent member who is also a member of the Audit and Performance Audit Committee. Internal Audit and the Chief Risk Officer also form a fundamental part of this committee. The committee provides primary oversight on effectiveness of risk management process at its quarterly meetings.

Each member of the committee is requested to complete an individual assessment on the performance of the Committee. The assessments are used as a tool that will guide the committee to improve the effectiveness and efficiency of the risk management oversight function.

The following actions were taken to monitor the effectiveness of risk management and the outcomes of risk management activities. According to the MFMA section 166, the Audit and Performance Audit Committee, as an independent advisory body, must advise the municipal council, the political office bearers, the accounting officer and the management staff of the Municipality on matters relating to risk management.

Assurance provided is classified in three levels, namely Senior Management (first level), Internal Audit & Audit and Performance Audit Committee (second level) and thirdly Council and Municipal Public Accounts Committee (MPAC). The Auditor-General is an external body that also provides assurance.

Figure 6: Combined Assurance Framework

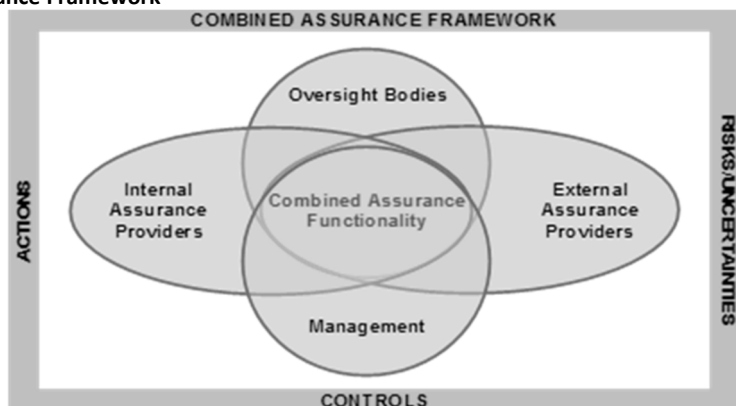


Table 10: Dates of Fraud and Risk Management Committee and Audit and Performance Audit Committee meetings

Committee	Date	Quorum	Risk Management Feedback
APAC	27 Augustus 2019	Yes	No (AFS/ A-G and performance report)
FARMC	19 September 2019	Yes	Yes
APAC	5 November 2019	Yes	Yes
APAC	27 November 2019	Yes	No (Draft Audit Report)
FARMC	3 December 2019	Yes	Yes
APAC	11 December 2019	Yes	No (MPAC and Annual Report)
APAC	28 January 2019	Yes	No (Focus was Annual Report)
FARMC	17 March 2020	Yes	Yes
APAC	15 May 2020	Yes	Yes
FARMC	19 June 2020	Yes	Yes
APAC	26 June 2020	Yes	Yes

Table 11: Top Five Strategic Risks

Risk Level	Risk Description	Cause of risk	Current Controls	Residual Risk
Strategic	Compromise financial sustainability of a municipality	The increase in expenditure is higher than the increase in revenue/grants	Implementation of Cost Containment policy Cost Containment Policy will be tabled with budget	High
Strategic	Managing and investing in a property owned by another organ of state	ODM does not own the properties on which Uilenkraalsmond resort is situated. Contract issued to semi-permanent residents, allowing to build top structures at own costs	High level negotiations between the Director and the Department of Public Works Semi-permanent leases ODM has an agreement with DPW to operate as a resort	High
Strategic	Service Delivery Protests	Dissatisfied community due to lack of service delivery Intimidation of community members by certain factions	Review of Disaster management plan and discuss community safety at safety forum Review Safety plan for the district annually Apply for funding to roll out projects	High
Strategic	Insufficient supply of electricity (Load-shedding)	Lack of maintenance of infrastructure by Eskom	Maintain current Generator only to operate limited equipment	High

Strategic	Escalating Social Ills within the District	Social development insufficient. Lack of work in the region.	Develop a district social development initiatives action plan Establish a District social development forum stakeholder structure	High
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Strategic risks are identified by the Executive Mayoral Committee and the departmental risk by the risk champions of each department. Internal Auditor uses the information in the risk registers to draft a Risk Based Audit Plan.

Council resolved with the revision of the Risk Management Policy that the Municipality use the standard 10X10 rating scale. The Municipality has set its risk appetite level at a risk grading of 40 (out of a maximum of 100). This implies that all risks, strategic and operational, with a grading of 40 or higher will be addressed each year. However, the Municipality's risk appetite will be reassessed on an annual basis, based on the annual risk assessment exercise results and adjusted if required. The goal is to reduce the risk level of the Municipality to acceptable levels. The Municipality's operations were affected by the Pandemic (COVID-19) and its lockdown levels during the last quarter of the financial year. A risk assessment was conducted addressing the pandemic to ensure business continuity.

Planned areas for future focus from 2020/2021 includes:

- Fill vacant Chief Risk Officer post.
- Proper Application of Consequence Management,
- Renewed focus on Cyber Security and ICT related threats,
- Proper Development and Implementation of Business Continuity,
- Intensify the Ethics Awareness Campaign,
- Re-affirmation of Fraud Framework and Strategies,
- Deliberate focus on Financial Risk Exposure and Control Environment,
- Clear direction on the Alignment of IDP, Risk Management, Budgeting and Performance
- Consistent focus on Regional Economic Development with formulated initiatives and targets.

2.7 ANTI-CORRUPTION AND FRAUD

ANTI-CORRUPTION AND FRAUD STRATEGY/PLAN

The Municipality is committed to fighting fraudulent behaviour at all levels within the organisation. The Municipality has a Fraud Prevention Plan which is also supported by an Anti-Fraud, Corruption and Financial Misconduct Policy as well as a Code of Ethics. This plan and policy are based on the organisation's core ethical values, driving the business of the Overberg, the development of its systems, policies and procedures, interactions with the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that the Municipality's, departments, other business units and external stakeholders must be guided by the Strategy/Plan, as the point of reference for their conduct in relation to the Municipality. In addition to promoting ethical conduct within the Municipality, it also intends to assist in preventing, detecting, investigating and sanctioning fraud and corruption. Fraud declarations were issued in terms of section 3 of the Prevention and Combating of Corrupt Activity Act, 2004 to the Finance Portfolio Committee and a report was also tabled to the Executive Mayor Committee on 29 June 2020.

The Municipality operates in terms of legislation and Councillors do not form part of the procurement processes. Internal Audit reviews segregation of duties and processes. The Audit and Performance Audit Committee performs an overseeing role and all members are independent.

During the year the internal audit department made recommendations in their internal audit reports that were presented to the Audit and Performance Audit Committee. The recommendations were adopted by the committee and escalated and recommended to the accounting officer. Recommendations made were pertaining to the following audit areas: Year-end stock take; Karwyderskraal Landfill site sinking fund; Performance management; Eunomia Compliance tool for Communication; Property management – Letting and Renting; Human Resource management; Occupational Health and Safety; Journals; ICT and Supply Chain Management – Tenders.

Ethics are practically implemented in the Municipality through the Oath for Councillors and the Rules of Order regulating the conduct of meetings. The conduct of staff members is guided by the Batho Pele principles, Code of Conduct for Municipal staff members (Schedule 2 of the Local Government: Municipal Systems Act, 2000) and the Code of Ethics. A disciplinary committee was established to attend to matters of misconduct. Whistle-blowing will be reported to the

internal audit section of the Municipality. The National Hotline is currently used for the reporting of fraud and corruption.

Appendix E – Report of the Audit & Performance Audit Committee. The recommendations of the committee for 2019/2020 are set out as **Appendix F**.

Notes: See Chapter 4 for details of Disciplinary Action taken in cases of financial mismanagement. MSA 2000 S83(c) requires providers to be chosen through a process that minimises the possibility of fraud and corruption.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Reports on the implementation of the Supply Chain Management policies are submitted monthly to the accounting officer and quarterly and annually to the Mayor. Both the quarterly and annual reports are available on the municipal website. The annual supply chain report is also presented to Council to ensure Council maintain oversight over the implementation of the Supply Chain Management Policy. The Supply Chain Management policy has been reviewed and performance evaluations on service providers were done on a bi-annual basis.

The Procurement Process is as follows:

- Specification (development and approval of specification to procure)
- Advertising
- Evaluation (Evaluate all bids)
- Adjudication (Award); and
- Contract Management

Councillors are not allowed to serve on any Supply Chain Management committees.

Appendix G refers to a list of the largest contracts that exceed one (1) year and that had a financial implication for Council. Further comments on Supply Chain Management are set out under Financial Performance – Chapter 5 - Component D.

Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimise opportunities for fraud and corruption.

BROAD -BASED BLACK ECONOMIC EMPOWERMENT(B-BBEE) COMPLIANCE PERFORMANCE INFORMATION

Table 12: Summary of B-BBEE awards during the financial year for formal quotations and tenders

B-BBEE LEVEL	TOTAL CONTRACTS
Level 1	26
Level 2	5
Level 4	9
Level 7	1
Non-Compliant Contributor	8
TOTAL	49

2.9 BY-LAWS

BY-LAWS

Note: MSA 2000 Section 11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

COMMENT ON BY-LAW – The Overberg District Municipality: Municipal Health Services By-law was reviewed and gazette in the Provincial Gazette (8126) on 15 July 2019.

2.10 WEBSITES

The table below provides information on documents that are published on the Municipality's website:

Table 13: Website Checklist

Municipal Website		
Current annual and adjustments budget and budget-related documents - Annual Budget - Adjustment Budget	Yes	28/05/2020 05/02/2020
All current budget-related policies	Yes	Various dates
The previous annual report 2018/2019	Yes	28/03/2020
The annual report 2019/2020 to be published		February 2020
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2019/2020	Yes	Various dates
All service delivery agreements 2019/2020	Yes	Various dates
All long-term borrowing contracts	Yes	22/11/2018
All supply chain management contracts above R0 value for Year 2019/2020	Yes	Various dates
An information statement containing a list of assets over a prescribed value that have been disposed in terms of section 14 (2) or (4) during 2019/2020	No	16/10/2020
Contracts agreed in 2019/2020 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	Yes	Various dates
Public-private partnership agreements referred to in section 120 made in 2019/2020	None	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2019/2020	Yes	Various dates
Note: MFMA Section 75 sets out the information that a municipality must include in its website as detailed above.		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The Municipality's website address is <https://www.odm.org.za>. The website is maintained internally, and information required by Section 75(1) of the Municipal Finance Management Act, applicable to the Municipality, is placed on the website. The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No formal satisfaction survey was conducted for the year under review. We did however receive positive and negative comments in the performance of normal service delivery functions. Council maintained a mechanism at the Resorts and Municipal Health offices, under the control of the Overberg District Municipality, where complaints and compliments can be launched.

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE

INTRODUCTION

This report provides an overview of the performance of the Overberg District Municipality for the period 1 July 2019 to 30 June 2020 as measured against the strategic goals that are set out in the 2019/2020 Integrated Development Plan (IDP) and the Key Performance Indicators (KPI's) contained in the approved Service Delivery Budget Implementation Plan (SDBIP).

The Municipality performed its functions in terms of the following approved strategic goals:

Strategic Goal 1 (SG1)

To ensure the well-being of all in the Overberg District through the provision of efficient basic services and infrastructure.

Strategic Goal 2 (SG2)

To promote regional economic development by supporting initiatives in the District for the development of a sustainable district economy

Strategic Goal 3 (SG3)

To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development

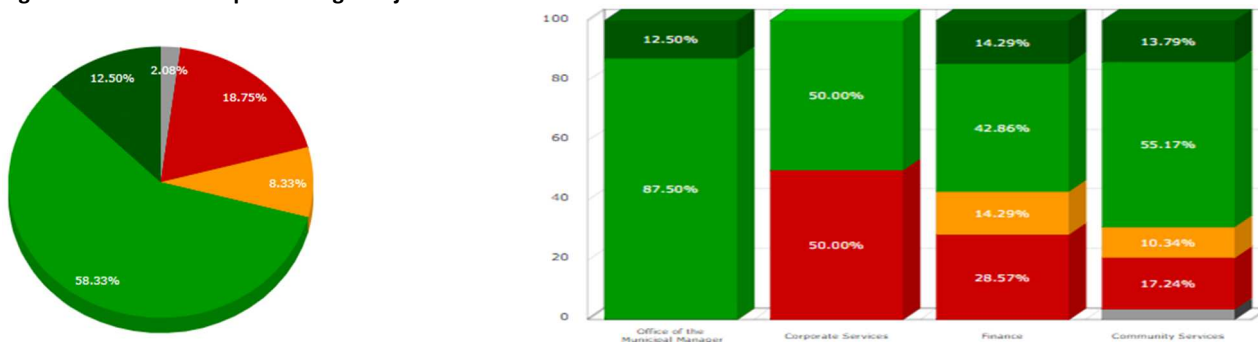
Strategic Goal 4 (SG4)

To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines

Strategic Goal (SG5)

To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through IGR structures

Figure 7: Performance per Strategic Objective



	Overberg District Municipality	Strategic Goal 1 (SG1)	Strategic Goal 2 (SG2)	Strategic Goal 3 (SG3)	Strategic Goal 4 (SG4)	Strategic Goal (SG5)
Not Yet Applicable	1	1	-	-	-	-
Not Met	9	3	2	2	2	-
Almost Met	4	3	-	-	1	-
Met	28	10	7	2	3	6
Well Met	6	3	1	-	1	1
Extremely Well Met			-	-	-	-
Total	48 (100%)	20 (41.67%)	10 (20.83%)	4 (8.33%)	7 (14.58%)	7 (14.58%)

Detailed performance report for 2019/2020 per strategic objectives - **Component J** – Organizational Performance

COMPONENT A: BASIC SERVICES

The Municipality only provides a function in respect of solid waste. Services in respect of water, electricity, sanitation and housing are provided by Local Municipalities. The function of bulk water distribution in the district area is rendered by Overberg Water Board.

3.1 SOLID WASTE MANAGEMENT

INTEGRATED WASTE MANAGEMENT:

The Waste Management Strategic Objectives for Overberg District Municipality on which the IWMP is based, commits the municipality to:

- Create an atmosphere in which the environment and natural resources of the region are conserved and protected.
- Develop a communication/information/education strategy to help ensure acceptance of 'ownership' of the strategic objectives among members of the public and industry throughout the municipality and to promote co-operative community action.
- Provide solutions for the three main objectives:
 - The avoidance of waste generation
 - The reduction of waste volumes
 - The safe disposal of waste

Table 14: Implementation of the Integrated Waste Management Plan goals and objectives

Goal 1: Strengthened education, capacity and advocacy towards Integrated Waste Management		
Objectives		2019/20
Strategic Objective 1:	Facilitate consumer and industry responsibility in integrated waste management	The mandate of the Regional Waste Management Forum was maintained and improved through quarterly meetings with Local Municipalities.
Strategic Objective 2:	Promote and ensure awareness and education of integrated waste management	Assistance was provided to Theewaterskloof Municipality to implement an awareness and education campaign at local primary schools to promote recycling and improve collaboration with local recyclers.
Strategic Objective 3:	Build and strengthen waste management capacity	Training requirements of Waste Managers were communicated to Province in order to address specific local needs that will benefit all officials in the Overberg. Quarterly Regional Waste Forum meetings continue where the improvement of waste management is promoted as part of the agenda discussion. Continuous promotion for the appointment of Waste Management Officers at local municipalities during quarterly Regional Waste Forum meetings.
Goal 2: Improved integrated waste management planning and implementation for efficient waste services and infrastructure		
Objectives		2019/20
Strategic Objective 1:	Facilitate municipal waste management planning	Alignment with the IDP and progress on the implementation of the IWMP is reported in the ODM annual report. Annual review of waste disposal tariffs takes place between parties to maintain a transparent and fair process. A remaining challenge is the indirect cost allocation. This is currently being addressed between the signatories of the SLA to set a long-term cost reflective tariff.
Strategic Objective 3:	Promote the establishment of integrated waste management infrastructure and services	The Master Plan remains in place to guide future planning for infrastructure development for the remaining life span of the facility. The establishment of the pioneer layer was concluded for cell 4 and an annual survey performed to determine landfill air space.

		Discussions were initiated between CAM and Swellendam in order to discuss long term options for the handling of the solid waste from the respective authorities with the focus on efficiency, affordability, and long-term benefits to the communities. ODM continue to pursue funding opportunities to assist waste infrastructure development to promote waste diversion.
Strategic Objective 4:	Ensure effective and efficient waste information management	Monthly reporting takes place on the Integrated Provincial Waste Information System. Calibrated weighbridge in place for data collection together with weighbridge programme that is connected to ODM server to ensure access to real-time data. This system is supported by a back-up battery service to ensure continuity and avoid disruption of this service.
Goal 3: Effective and efficient utilisation of resources		
Objectives		2019/20
Strategic Objective 2:	Stimulate job creation within the waste economy	Appointment of a service provider for the operation of the landfill facility was finalised and will remain in place for the duration of Cell 4. All employment is sourced locally as far as possible. Budgetary provision is made for invasive species management through local service providers. The promotion of recycling at source and within local municipalities is promoted through the Regional Waste Forum in order to stimulate secondary economies and job creation through diversification of opportunities within the waste sector.
Strategic Objective 3:	Increase waste diversion through reuse, recovery and recycling	ODM support local municipalities in the investigation of waste infrastructure funding opportunities that promote waste diversion. The Regional Waste Forum creates a platform to discuss waste diversion topics. Decisions taken can assist local municipalities with their own strategies. Waste Characterization studies are conducted at Karwyderskraal. This data can be used to inform future initiatives based on the waste make-up and volumes. Currently in discussion with Swellendam and Cape Agulhas to determine best way forward in dealing with the disposal of their general household waste at Karwyderskraal and diversion at source. This will reduce the current impact of local landfills that are not managed optimally and impacting negatively on the surrounding communities.
Goal 4: Improved compliance with environmental regulatory framework		
Objectives		2019/20
Strategic Objective 1:	Strengthen compliance monitoring and enforcement	Quarterly internal audits and monthly meetings with operational service provider to ensure effective and efficient service is maintained at the regional landfill facility together with ongoing maintenance. The Karwyderskraal Regional Landfill Facility achieved a 100% provincial compliance audit performance rating. The annual external audit was completed in order to guide forward planning, budgeting, and to address non/partial compliance. The outcome of the internal and external audits is communicated quarterly to the regulating authority. The external audit is communicated to the Karwyderskraal Monitoring Committee annually. Construction and demolition waste (small builders' rubble) are received free of charged as an incentive to prevent illegal dumping.
Strategic Objective 2:	Remediate and rehabilitate contaminated land	ODM accommodated Overstrand Municipality in the waste volumes removed during the rehabilitation of the Hawston waste facility. This material will be utilised as cover at Karwyderskraal.

Figure 8: Projected vs estimated available air space for Cell 4

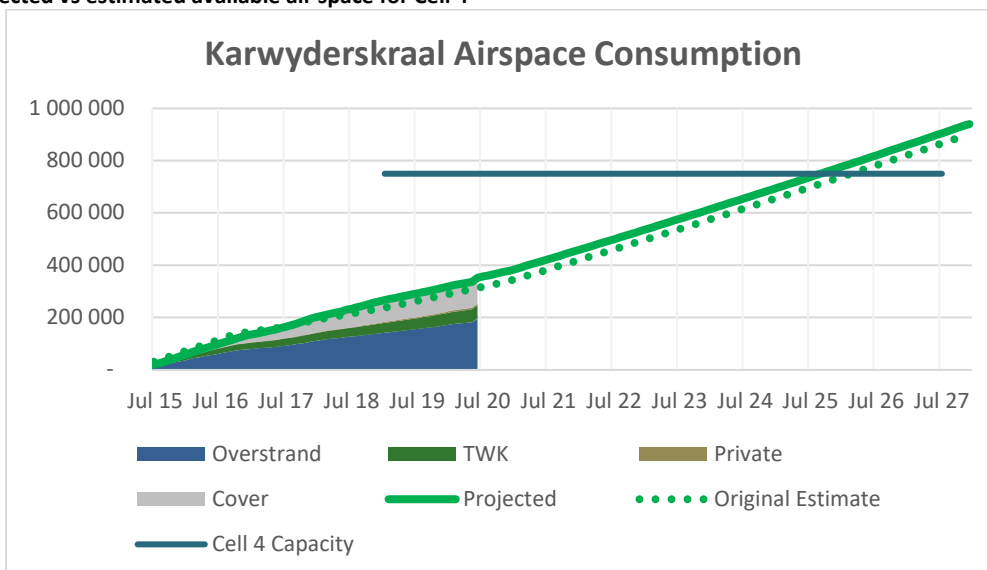


Table 15: Total of waste volumes per user disposed of at Karwyderskraal Regional Landfill for the 2019/2020 financial year

	Overstrand					TWK		Private			
	MSW	Sludge	Builder Rubble Small	Builder Rubble Large	Chipped Garden waste	MSW	Sludge	MSW	Builders Rubble Small	Builders Rubble Large	Fruit Waste
Jul 19	2 264.82	254.1	98.34	478.96	708.62	603.34	15.42	117.06	751.6	34	31.52
Aug 19	3 422.24	193.44	125.94	-	685.04	911.5	10.04	103.56	718.43	29.66	23.28
Sep 19	2 596.00	206.44	563.34	2.9	830.08	772.38	15.9	136.8	1 051.74	47	15.42
Oct 19	2 972.98	211.36	248.64	-	1 129.52	934.28	15.34	217.22	1 029.62	114.1	42.84
Nov 19	2 680.98	266.14	307.64	5.48	860.08	837.02	20.68	228.2	850.38	27.14	37.38
Dec 19	3 228.24	186.46	121.08	-	777.72	1 068.80	14.56	162.46	448.38	33.6	75.04
Jan 20	4 174.88	91.78	75.88	-	922.68	1 207.38	4.76	243.74	473.52	15.46	19.34
Feb 20	2 496.66	85.98	178.83	-	930.54	586.18	23.42	124.74	968.52	11.58	75.18
Mar 20	2 683.24	154.7	232.7	-	1 054.62	829.14	28.74	133.66	885.94	51.82	61.62
Apr 20	2 092.80	271.88	-	-	-	1 145.44	5.86	64.48	-	-	92.52
May 20	2 567.80	548.52	253.6	-	218.2	754.4	-	121.32	178.06	7.76	61.16
Jun 20	15 735.26	292.79	247.36	6.55	1 164.42	852.54	-	102.92	779.3	91.34	49.32
Total	46 915.90	2 763.59	2 453.35	493.89	9 281.52	10 502.40	154.72	1 756.16	8 135.49	463.46	584.62

ACHIEVEMENTS:

- Initial discussion between ODM, CAM, and Swellendam to investigate long term options of dealing with municipal waste and the utilization of Karwyderskraal. This promotes the regionalization of waste management services as promoted in the National Waste Management Strategy.
- Maintaining a high standard in the operation at the Karwyderskraal Regional Landfill Site and the compliance with the license conditions.
- Provide leadership and guidance through the facilitation of the Regional Waste forum on a quarterly basis in order to stimulate discussion and open up communication between Waste Managers in the district as well as with the Provincial Waste Officers Forum.

CHALLENGES:

The financial ability of local municipalities to make adequate provision for waste infrastructure to address the current backlog and national diversion targets continues to be the biggest challenge.

Table 16: Financial Performance 2019/2020: Solid Waste Management

Financial Performance 2019/2020: Solid Waste Management							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	2 297	10 723	10 738	12 941	21%	2 203	
Expenditure:							
Employees							
Repairs and Maintenance							
Other	2 405	10 239	10 956	8 495	-22%	(2 461)	
Total Operational Expenditure	2 405	10 239	10 956	8 495	-22%	(2 461)	
Net Operational Expenditure	(109)	484	(218)	4 445	-2139%	4 664	
<i>Variances are calculated by comparing the Actual and Adjustment Budget</i>							

Table 17: Capital Expenditure 2019/2020: Solid Waste Management

Capital Expenditure 2019/2020: Solid Waste Management							R' 000
Capital Projects	2019/20						
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget (%)	Total Project Value	Variance to adjustment Budget (R)	
Total All	6128			-100%			

COMMENT ON SOLID WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

In line with the agreement between the Overberg District Municipality, Overstrand and Theewaterskloof Local Municipalities, the regional landfill site at Karwyderskraal became operational as from April 2019 and generated income for the full financial year in 2019/20. Although an actual surplus of R4.5 million resulted, the real surplus had been calculated as only R930 040 when the overheads and GRAP 2 & 19 accounting adjustments are added back as per the calculation in the table below:

Table 18: Solid waste adjustment of actual surplus

Surplus - Solid Waste Department per AFS	-R4 445 446.11	
Less: Overhead Costs	R447 957.00	
Surplus - Solid Waste Department	-R3 997 489.11	
Add Back iGRAP 2 entries	R753 314.49	
Add Back Depreciation	-R672 903.11	
Add Back Rehabilitation Fees Raised	R825 076.33	
Surplus after adding back specific items	-R3 092 001.40	
Capital Repayments	R2 161 960.93	Note 1
Surplus	-R930 040.47	
Note 1		
Capital Repayments	R2 614 222.14	
Portion relating to upgrading of Cell 4	R0.83	
To be included	R2 161 960.93	

The zero spending in capital expenditure relates to the removing of the capital project in the Adjustment Budget “Karwyderskraal” to the amount of R 6 128 111 as the adjacent property owners are not willing to sell their properties next to Karwyderskraal. Projects on which the remainder of the loan facility, which could only be spend on the Karwyderskraal landfill site, will be identified and provided for in future budgets.

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

Overberg District Municipality is an agent for the Department of Transport and Public Works for the maintenance of proclaimed provincial roads in the district. The local municipalities are responsible for managing roads/streets in their respective towns. The Overberg District Municipality is also responsible for an Integrated Transport Plan for the district.

3.2 ROADS

INTRODUCTION TO ROADS

The Overberg District Municipality (ODM) is an agent for the Provincial Department of Transport and Public Works to perform the function on roads in accordance with a memorandum of agreement. The ODM is responsible for maintaining, repairing, protecting and managing the proclaimed Provincial roads in the area, as identified by the District Road Engineer, in a safe and reliable condition within the legal framework of the various Ordinances, Acts and Regulations. The function is 100% funded by means of a grant from the department, which includes the employee cost in the road section. The function is performed from sub-district depots at Swellendam, Bredasdorp and Caledon.

The ODM focuses on normal maintenance, re-gravelling, rehabilitation, upgrading and resealing of proclaimed provincial roads. The network consisted at year end of 504.23 km tar and 3191.02 km gravel roads. The Pandemic (COVID-19) and lockdown levels resulted in that all the planned targets for the year under reviewed could not be reached.

Challenges: The challenges faced by ODM to provide safe and reliable roads are the unpredictable weather of the Overberg area, insufficient funds, aging equipment and lack of Human Resources.

Vacant positions are continually filled through the recruitment and selection process. (Chapter 4 (4.1))

Table 19: Gravel Roads Infrastructure

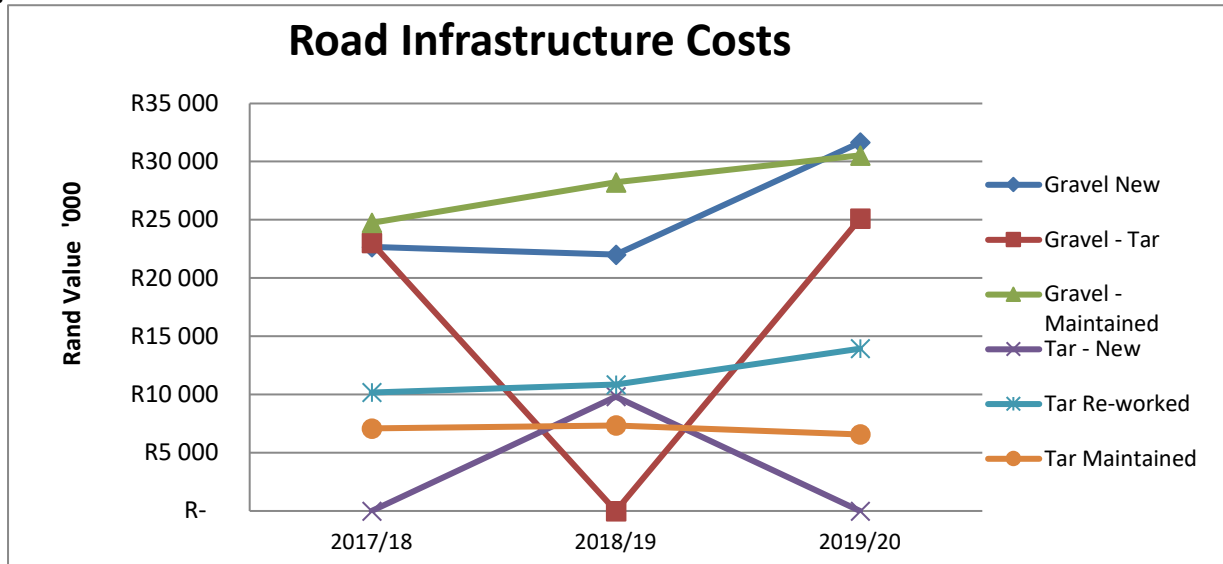
Gravel Road Infrastructure					Kilometers
Financial Year	Total gravel Roads at beginning of financial year	New gravel roads	Gravel roads upgraded to asphalt (tar)	Gravel roads re-gravelled	Gravel roads maintained at year-end
2017/18	3198.39	0	3.32	50.22	3195.07
2018/19	3195.07	0	0	42.28	3195.07
2019/20	3195.07	0	4.05	37.01	3191.75

Table 20: Tar Road Infrastructure

Tar Road Infrastructure					Kilometers
Financial Year	Total tar roads at beginning of financial year	New tar roads	Existing tar roads re-tarred	Existing as tar roads re-sheeted	Tar roads Maintained at year-end
2017/18	496.36	3.32	24.55	0	500.18
2018/19	500.18	0	29.29	3.72	500.18
2019/20	500.18	4.05	41.10	0	504.23

Table 21: Cost of Roads Infrastructure

Cost of Roads Infrastructure							R'000
Financial year	Gravel			Tar			
	Regravel	Gravel-Tar	Maintained	Rehabilitation	Re-seal	Maintained	
2017/18	22 673	23 034	24 746	0	10 176	7 076	
2018/19	22 019	0	28 213	9 824	10 834	7 344	
2019/20	31 645	25 105	30 539	0	13943	6 583	

Figure 9: Roads Infrastructure Costs**Table 22: Financial Performance 2019/2020: Road Services**

Financial Performance 2019/2020: Roads Services							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	96 282	91 821	100 492	98 050	-2%	(2 443)	
Expenditure:							
Employees	38 517	31 513	37 886	42 795	13%	4 909	
Repairs and Maintenance							
Other	59 444	60 308	62 589	55 078	-12%	(7 512)	
Total Operational Expenditure	97 961	91 821	100 475	97 873	-3%	(2 602)	
Net Operational Expenditure	(1 680)		17	177	939%	160	

Variances are calculated by comparing the Actual and Adjustment Budget.

Table 23: Capital Expenditure 2019/2020: Roads Services

Capital Expenditure 2019/2020: Roads Services							R' 000
Capital Projects	2019/20						
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All			3	100%		3	

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The roads function performed on an agency basis on behalf of the Provincial Department Transport and Public Works, as in the past, has a significant impact on the total operations of the Municipality.

The Department of Transport and Public Works allocates funds to the Overberg District for which an annual business plan for road maintenance is submitted to the department in line with the approved budget. The department spending is in line with the amount of funding received for the financial year.

In terms of the MOA (Memorandum of Agreement), the Municipality needs to keep a record of all capital items purchases, hence the actual spending of R3000 that reflects on capital projects.

3.3 TRANSPORT

INTRODUCTION TO TRANSPORT

The Overberg District Municipality is responsible for developing an Integrated Transport Plan for the District as required by the National Land Transport Act, 2009 (Act 5 of 2009) and the National Land Transport Transition Act, 2000 (Act 22 of 2000). The Integrated Transport Plan (ITP) was approved by Council on 30 October 2017.

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Planning and Development function at the Municipality includes Spatial Development Planning, IDP and Local Economic Development.

3.4 PLANNING (IDP, COMMUNICATION AND SPATIAL PLANNING)

INTRODUCTION TO PLANNING

IDP / BUDGET / PMS TIME SCHEDULE OF KEY DEADLINES 2019/2020

As prescribed by section 21 of the Municipal Finance Management Act (MFMA), and in consultation with the Chief Financial Officer, the Performance Management Officer, Local municipalities in the Overberg District and Provincial Government, an IDP/Budget/PMS Time Schedule of Key Deadlines for 2019-2020 was developed in consideration of the COVID-19 pandemic and in preparation for the 2020-2021 Annual Budget and IDP Review, which would serve as Council's Third Review of the 5-Year IDP, adopted by Council on 15 May 2017.

The Time Schedule is guided and informed by the five-year District IDP Framework- and Process Plan and was workshopped at a District IDP Managers Forum Meeting on 23 July 2019 to ensure horizontal and vertical alignment of various activities on a Provincial, District and Local level. Council adopted the Time Schedule on 19 August 2019 for the development of the 2020/2021 IDP.

The 2020/2021 Draft IDP Review and Budget was tabled to Council on 25 March 2020 and published for public comment till 8 May 2020. The final 2020/2021 IDP was adopted by Council on 25 May 2020.

JOINT DISTRICT APPROACH (JDA)

Following the President's announcement of a District Development Model, a district-based approach focusing on the 44 Districts and 8 Metro's, to speed up service delivery, ensuring that municipalities are properly supported and adequately resourced, the Western Cape Provincial Government responded by conceptualizing a Joint District Approach (JDA), a regional theme-based approach. District Interface Teams have been established per region. These teams will strengthen the interface between the two spheres of Government in relation to governance, but mainly to service delivery. A Support Plan has been developed, capturing key catalytic projects for the Overberg Region.

JDA Interface Team Meetings were held on:

04.10.2019	Refining of Overberg Municipal Support Plan
16.10.2019	Rehabilitation facilities in Overberg
05.11.2019	JDA Workshop
10.12.2019	Rehabilitation Centre in Overberg District Municipality
12.12.2019	Finalisation of District Support Plan

DISTRICT AWARENESS CAMPAIGNS:

The municipality embarked on a process to promote participation in the IDP and to raise awareness around planning processes.

The following awareness campaigns were held:

- IDP Awareness held in Bredasdorp - Municipal Sector Engagement on 2/12/2019.
- District IDP Managers engagement on 30/06/2020 to discuss the IDP Planning Cycle and Process.

COMMUNICATION**Internal Newsletter “Decus Nostrum”**

The “Decus Nostrum” is an internal newsletter that serves as a tool to inform all staff of processes and procedures that were reviewed and implemented throughout the year. Publications of the “Decus Nostrum” were distributed in August and November 2019, and February and May 2020.

External Newsletter

In showcasing the Overberg District Municipality’s activities, educating and informing the Overberg communities, the ODM fulfils its role by bi-annually producing an External Newsletter. Information is also sourced from Local Municipalities in the region. Copies were distributed to local municipalities, stakeholders and at various strategic points within the region, such as Libraries and Thusong Centres. External Newsletters were produced and issued during December 2019 and June 2020.

Table 24: Communication Plan and Strategies

COMMUNICATION PLAN AND STRATEGIES		
Communication Strategy	Adopted 3 December 2012	Annually reviewed, last review 30 September 2019
Communication Action Plan	Annual developed in alignment with IDP	Last approved by Council on 7 August 2019

SPATIAL DEVELOPMENT PLANNING

The Municipality is in the process of reviewing the District Spatial Development Framework and requested assistance from Provincial Government of the Western Cape: Department of Environmental Affairs and Development Planning. The target date for finalization is June 2021.

The municipality, as a commenting authority, provides inputs on land use management and building plan applications to category B municipalities. The comments provided are pertaining to spatial planning, environmental health, environmental management, fire- and disaster management.

Vacancies in the Department IDP & Communication will be filled as and when the budget allows. (Chapter 4 (4.1))

Table 25: Financial Performance 2019/2020: Planning

Financial Performance 2019/2020: Planning							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	1 108	1 211	1 222	1 187	-2%	(24)	
Repairs and Maintenance							
Other	115	101	104	66	-34%	(34)	
Total Operational Expenditure	1 223	1 312	1 326	1 253	-4%	(58)	
Net Operational Expenditure	(1 223)	(1 312)	(1 326)	(1 253)	-4%	58	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 26: Capital Expenditure 2019/2020: Planning

Capital Expenditure 2019/2020: Planning						
						R' 000
Capital Projects	2019/20					
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All						

COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL

Planning services managed to perform their duties within service delivery demands and managed to stay within the operational budget.

3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)**INTRODUCTION TO ECONOMIC DEVELOPMENT AND TOURISM**

The District Municipality is widely accepted as performing a leading, guiding and coordinating role in the region. Over the period of the year under review the Municipality has had relative success in terms of effectively executing its role as mentioned.

The district has participated in several forums, workshops and public platforms with the relevant stakeholders, organizations and government partners, but has not been able to effectively rise as the champion to drive the Local Economic Development and Tourism agenda to real growth in the region.

The Municipality has successfully transitioned from a Local Economic Development (LED) focus to a Regional Economic Development (RED) focus. The aim of the strategy is to, in partnership with the local municipalities and respective industries, create an environment for significant growth and job creation over the medium term and update the Regional Economic Development Implementation Plan with all new projects. Progress reports on the implementation were submitted to the Community Services Portfolio Committee oversee the function. **Further Focus** is to broaden the scope of the strategy to include an economic recovery plan with partnerships of DEDAT, WESGRO and SALGA and Provincial Departments.

Due to the challenging landscape in which municipalities in the Western Cape find themselves, it is hard to adjust to the changing environment. Over 70% of the LED/Tourism Projects could not be completed due to the impact of the pandemic.

Table 27: Summary of projects that have been postponed during lockdown (Pandemic)

LED/Tourism Projects been postponed	
World Travel Market	Cancelled April 2020
Cape Overberg Brochure	To finalise the Cape Overberg Brochure for marketing
RED/Tourism Implementation Plan	Updated monthly with information from B Municipalities
SCM/LED Open days	SCM/LED open day was not held. Project roll over to next financial year.

Pandemic (COVID-19) LED/Tourism Survey

With COVID-19, South Africa finds itself in lockdown that has impacted individuals, families as well as business entities and industries. A survey was conducted to provide economic insight into the impact of the COVID-19 pandemic. The outcome of the survey provides useful insights, that reveals the economic challenges businesses and the rest of the country are facing. The findings of the survey coincide with assessment initiatives undertaken at intergovernmental levels. These findings will assist with the compilation of an economic recovery plan post COVID-19, which will support short, medium and long-term activities.

The Overberg District Economy³

The total GDP for the Overberg District amounted to R19288 billion in 2017 with economic activity mostly focussed within the tertiary sector (R12.99 billion; 65.4. per cent). The overall economy grew by 2.8 per cent between 2008 and 2017. In more recent times (2014 – 2018e) economic growth in the region area slowed to 1.9 per cent.

Table 28: Overberg: GDP performance per sector, 2008-2018

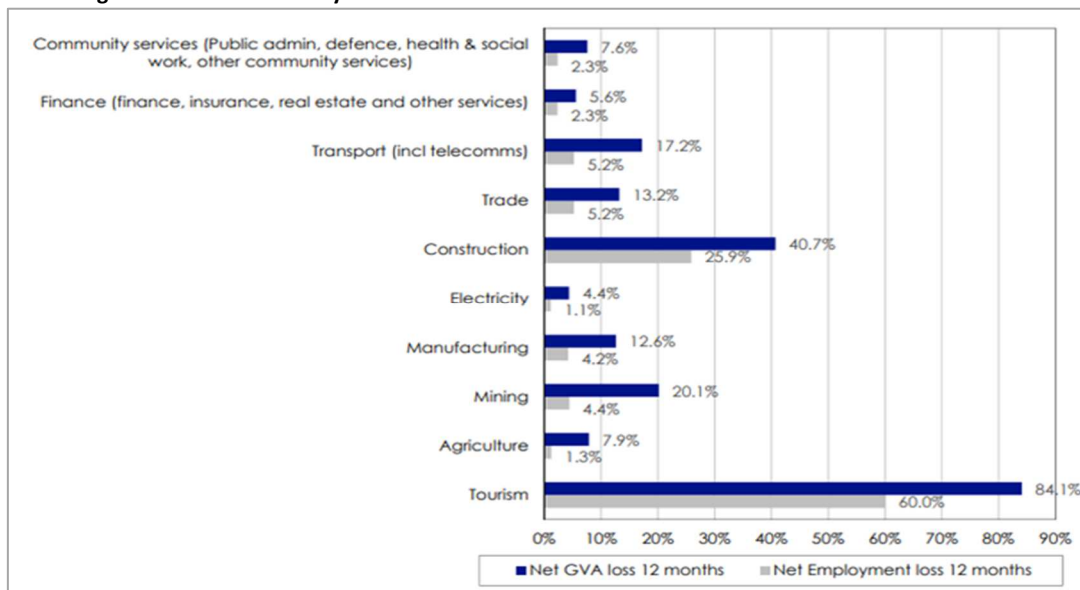
Overberg District: GDP performance per sector, 2008 – 2018e									
Sector	Contribution to GDP (%) 2017	R million value 2017	Trend		Real GDP growth (%)				
			2008 - 2017	2014 – 2018e	2014	2015	2016	2017	2018e
Primary sector	11.2	2 223.4	2.1	-0.3	6.6	-3.3	-9.4	9.4	-4.8
Agriculture, forestry & fishing	11.1	2 202.9	2.1	-0.3	6.6	-3.4	-9.5	9.5	-4.8
Mining & quarrying	0.1	20.5	1.4	2.2	7.0	-0.4	6.5	1.1	-3.1
Secondary sector	23.5	4 663.1	2.6	1.9	2.6	2.0	1.8	1.3	1.9
Manufacturing	13.8	2 749.3	2.9	2.6	2.6	2.3	2.5	2.2	3.4
Electricity, gas & water	2.5	494.1	-0.8	-0.7	-0.9	-1.8	-2.6	0.5	1.3
Construction	7.1	1 419.7	3.2	1.2	3.8	2.5	1.6	-0.5	-1.2
Tertiary sector	65.4	12 991.3	3.1	2.3	3.3	2.6	2.2	1.9	1.5
Wholesale & retail trade, catering & accommodation	19.3	3 834.8	3.2	2.2	2.8	3.4	2.9	0.6	1.1
Transport, storage & communication	10.8	2 143.7	3.4	2.7	4.9	1.9	2.1	2.7	2.2
Finance, insurance, real estate & business services	19.7	3 910.6	3.4	2.9	3.5	3.5	2.5	3.3	1.9
General government	8.9	1 770.8	2.4	0.6	2.9	0.0	-0.1	-0.5	0.7
Community, social & personal services	6.7	1 331.5	2.3	1.8	2.2	1.7	2.2	2.1	1.0
Total Overberg	100.0	19 877.8	2.8	1.9	3.6	1.7	0.7	2.6	0.8

Sectoral impact⁴

Figure 9 reflects the overall anticipated GVA impact of the COVID-19 pandemic over a 12-month period. The sectors where GVA will be hardest hit by the pandemic over the initial 12-month period is tourism (84.1 per cent), construction (40.7 per cent), mining (20.1 per cent), transport and telecoms (17.2 per cent); trade (13.2 per cent) and Manufacturing (12.6 per cent). Least affected industries include electricity (4.4 per cent), which was seen as an essential service and continued operations, but experienced losses due to drops in demand; finance (5.6 per cent), which was largely able to maintain operations remotely and there were continued operation of the banking sector, payments system, pension and medical aid activities; and community services (7.6 per cent), which are essential and in demand as a response to the COVID-19 pandemic. In terms of employment, agriculture (1.3 per cent); electricity (1.1 per cent); finance (2.3 per cent) and community services (2.3 per cent) had the lowest percentage of job losses.

The pandemic impacted largely on tourism industry in the region and an estimated R344.8 million GVA loss is expected in the 13-24-month period after the lockdown.

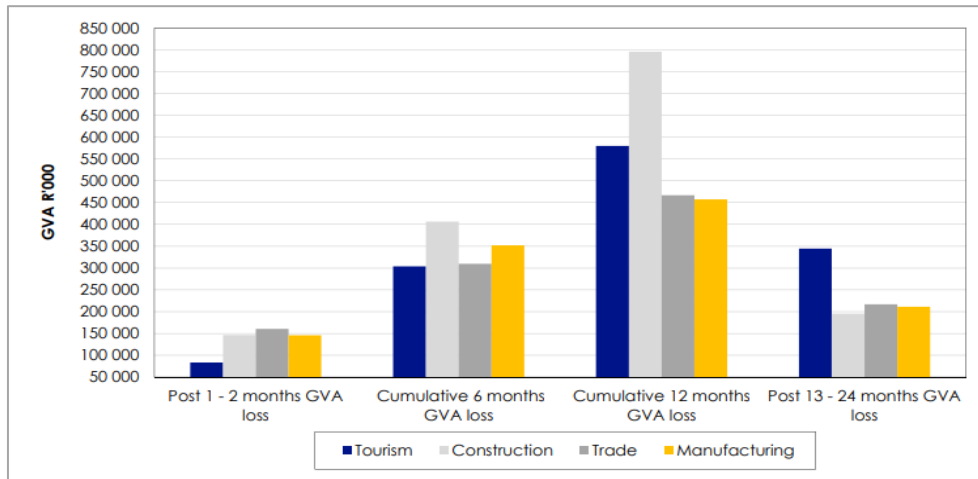
Figure 10: Overberg District: Sectoral analysis and forecast scenarios for GVA⁴



³ Socio-Economic profile: Overberg District Municipality - 2019

⁴ Western Cape Government: Overberg District Municipality Covid-19 Economic Review

Figure 11: Overberg District: Social analysis and forecast scenarios for Employment⁴



Expanded Public Works Programme (EPWP)

For the year under review the ODM has performed exceptionally well in terms of achieving its predetermined targets and spending its allocated budget. The Municipality has created 138 Work Opportunities (WOs) and 38 Full-Time Equivalents (FTEs). This contributed to the overall very good performance of the Overberg District in the EPWP Programme. One of the EPWP projects ‘Persons with disabilities’ (peer support) is currently in the evaluation process of the Department of Transport and Public Works for the KAMOSO award.

An audit meeting was held but the outcome is still pending.

During the year under review, Overberg District Municipality was awarded a certificate of achievement for excellence in the achievement of the EPWP work opportunity targets for the period 1 April 2018 – 31 March 2019.

EPWP job creation was addressed through the following projects:

- Fire, rescue, disaster management
- Safer Communities Project
- Alien vegetation clearing
- Fire Breaks Project
- Bredasdorp Nutrition & Development project
- Peer support for persons with disabilities
- COVID-19 Project

Peer Supporters Persons with Disabilities

- To identify people with disabilities in the communities who need services and support,
- To provide support and training to persons with disabilities in the community,
- To educate and train people with disabilities on health promotion, independent living and promote participation in activities of livelihood.
- To refer people with disabilities to the appropriate health/social resources in the community,
- Awareness raising amongst People with disability and the public,



Peer Supporters Persons with disabilities: Overstrand

Local Economic Development forms part of the Department LED, Tourism, EPWP and Resorts. (Chapter 4 (4.1))

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

Local Economic Development forms part of the Department: LED, Tourism, Resorts and EPWP and no financial information is available for this function.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

A Memorandum of Understanding was signed between the Department Social Development and the Overberg District municipality, for the coordination of social development activities in the district. The signing of the agreement took place in February 2019. This led to a very successful Social Development Summit that was held in Bredasdorp on 13 September 2019 with stakeholders from Local Government, NGO's and the Provincial Department of Social Development in attendance. A Social Development Forum was identified to pave the way for integrated cooperation and participation among the four B municipalities as well as Provincial sector departments. Key actions and projects were identified at the summit and it was agreed that these actions would inform the Social development action plan.

An Implementation Plan was compiled based on the actions identified at the summit. This plan was tabled at the Community Services Portfolio Committee meeting held on 25 November 2019.

A temporary Social Development Coordinator was appointed at the beginning of March 2020 to liaise and co-ordinate social development functions and projects between the District Municipality, the B municipalities, the Provincial Department of Social Development and all other stakeholders.

The first Social Development Forum meeting was held on 12 March 2020. At the meeting, the forum reflected on the summit held and actions identified at the summit. Since the summit, social development identified key focus areas such as youth development, first 1000 days and gender-based violence. The focus areas identified forms the basis of actions identified by stakeholders and B municipalities at the summit held. The implementation plan was reviewed and updated with inputs from all the stake holders. The reviewed plan was tabled at the Community Services Portfolio meeting held on 22 June 2020.

Prior to and during the lockdown period that started on 27 March 2020 the Social Development Coordinator focused on:

COVID -19 Readiness

- The development of an action plan.
- Identification of possible areas for isolation and Quarantine.
- Co-ordination of Community Development Worker's (CDW's) in assisting with raising awareness in high risk communities.
- The dissemination of information to vulnerable communities by CDW's in partnership with ODM Social Development and local municipalities.
- Determine plans in place for vagrants in the region.
- Assist to determine Department of Social Development funded feeding schemes for the district.
- The latter involved the mapping of soup kitchens in the district and assisting the Department of Social Development and SASSA with the distribution of food parcels to vulnerable groups. Also assisted with the distribution of food donations.

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection is managed in terms of section 24 of the Constitution, the National Environmental Management Act, 1998 [Act 107 of 1998 (NEMA)], the Coastal Management Act, 2008 (Act 24 of 2008), the National Environmental Management Waste Act, 2008 (Act 59 of 2008), the Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004), the Environmental Management: Air Quality Act, 2004 (Act 39 of 2004) and the National Health Act, 2003 (Act 61 of 2003). Environmental management is "an activity with the goal to maintain and improve the state of environmental resources affected by human activities".

3.6 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Section 30 of the National Environmental Management Act, 1988 (NEMA) provides for the control of emergency incidents. This is a measure to protect the environment so that the rights enshrined in Section 24 of the Constitution can be realised.

Council appointed a Section 30 Official and developed a response protocol to formalise coordination between internal departments and reporting to provincial government.

The following departments' form part of the municipalities integrated response team.

- Fire and Disaster Management – First response and containment of the situation (HAZMAT);
- Municipal Health Services – Monitoring the impact on communities and receiving environment; and
- Environmental Management Services – Monitoring impacts on the environment and reporting to the provincial authorities.

Table 29: Section 30 Incidents

Section 30 incidents reported		
Nature of incident	Submission of Emergency Incident Report	Closure of Section 30 Incident
No incident was reported for the period		

Air quality control is one of the functions performed by Municipal Health Services in terms of the National Health Act, 2003 (Act 61 of 2003) and the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004). The Overberg District Municipality is the licensing Authority for Listed Activities and Controlled Emitters.

Table 30: Atmospheric Emission Licenses Holders

Business	Type of industry	Status	Sub-District	Date issued
Gansbaai Marine	Fish meal production	AEL	Overstrand	20 September 2016
Bredasdorp Lime Works	Producing Lime products	*PAEL	Bredasdorp	27 February 2013
Bredasdorp Steenwerke	Manufacturing of clay bricks	AEL	Bredasdorp	14 April 2016
Botrivier Steenwerke	Manufacturing of clay bricks	AEL	Overstrand	16 September 2016
Beukes Steenwerke	Manufacturing of clay bricks	AEL	Theewaterskloof	30 September 2016

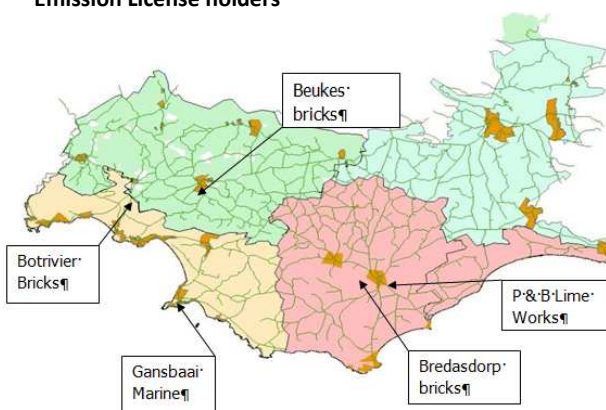
*Provisional Atmospheric Emission License (PAEL) - only valid for one (1) year, but also depending on the compliancy of the industry. After every year the PAEL will be reviewed for compliance in accordance with set conditions, where after a final license (AEL) will be issued. The industries report quarterly to the Licensing Authority on their compliance towards the license conditions as well as to the National Department of Environmental Affairs. Continuous monitoring was executed at the applicable premises. The industry co-operated very well with the requirements expected of them. No complaints were received from the community towards the Listed Activities and Controlled Emitters industry.

Municipal Health Practitioners also dealt with several air pollution complaints such as fumes, smoke, dust, offensive odours and unlicensed facilities. They also attend to matters pertaining to water and ground pollution. Air quality awareness campaigns were held in the local municipal areas.

Challenges on air quality control-

- The roles and responsibilities between local and district municipalities are not accepted by all municipalities, thus hampering the implementation of the function.

Figure 12: Geographical distribution of Atmospheric Emission License holders



- Not all local municipalities have appointed Air Quality Officers, thus hindering communication and accountability.
- A lack of cooperation between various disciplines in local government for e.g. municipal health, town planning and building control, places a burden on the successful implementation of the Act.
- Inadequate financial provision for air quality management by all municipalities within the district.
- The availability of suitably skilled human resources.

Comment on the performance of pollution control overall

The function of pollution control is delivered by the Department Environmental Management and the Department of Municipal Health Services, respectively and forms part of their budget.

3.7 ENVIRONMENTAL MANAGEMENT

INTRODUCTION TO ENVIRONMENTAL MANAGEMENT

The Overberg District Municipality promotes sustainability by means of partnerships, as well as an integrated environmental management approach throughout the Overberg region.

The Municipality continues to engage by means of local forums and committees such as the Municipal Coastal Committee, Estuary Advisory Forums, Kogelberg Biosphere Reserve and Agulhas Biodiversity Initiative.

CLIMATE CHANGE RESPONSE

The ODM developed and approved climate change strategies to guide adaptation and mitigation responses. Alignment of these strategies with National priorities remains important and therefore ODM attended the Department Environment, Forestry, and Fisheries: Local Government Support Forum to stay abreast of the latest developments and initiatives. One of the main challenges identified in previous years was obtaining funding for climate change response projects. This was addressed through the participation in capacity building workshops hosted by Department of Environmental Forestry and Fisheries and ICLEI for the development of climate change project funding proposals.

ODM, as an ICLEI member, participated in the Urban Low Emission Development Strategy (LEDS) programme to promote climate change action at local level. Through this programme ODM was given the opportunity to develop a Transformative Actions Programme (TAP) funding proposal. The proposal focused on the promotion of water security through the removal of alien vegetation while investigating the establishment of a green economy. This project was presented at an Urban-LEDS II project nursery workshop focusing on building bankable projects and to share the project with international participants.

In order to facilitate the promotion of climate change discussions and pro-active initiatives, the ODM has initiated the investigation into the establishment of a Biodiversity and Climate Change Forum for the Municipalities of the Overberg in collaboration with DEFF and the Local Government Support Official.

BIODIVERSITY MANAGEMENT

1) Alien vegetation control

The National Environmental Management: Biodiversity Act of 2004 (Act 10 of 2004) requires the Municipality to take responsibility for the management and control of alien invasive species on its properties. The ODM therefore plans, budgets, and implements invasive alien clearing projects in partnership with various role-players in order to address this responsibility through own and EPWP grant funding.

Specifications were developed for the review of the Alien Invasive Species Monitoring, Control and Eradication Plan for ODM properties. The purpose of the review will be to improve species data that will assist in drafting specifications for project implementation.

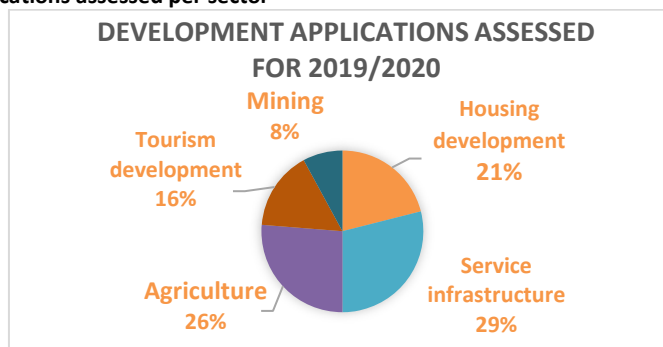
Table 31: Environmental Management - EPWP projects

Project Name	Project Description	Project Period	No. of work opportunities
River and wetland rehabilitation.	Removal of alien vegetation within river and wetland systems.	65 days	22

2) Evaluation of land- use applications and environmental impact assessments

The Municipality continues to act as a commenting authority for any development application within its area of jurisdiction. A set criterion, based on the principles of sustainability (which includes the protection and conservation of endangered/threatened ecosystems, Critical Biodiversity Areas and Ecological Support Areas), is used to ensure consistency.

Figure 13: Development applications assessed per sector



COASTAL & CATCHMENT MANAGEMENT

The Overberg District Municipality facilitates the Municipal Coastal Committee (MCC) to integrate coastal management and promote discussion between all role-players. The MCC reports on a quarterly basis to the Community Services Portfolio Committee in order to keep Council informed of the outcome of the meeting. The Municipality is represented on the Provincial Coastal Committee and Erosion Task Team.

Implementation of the approved Coastal Management Programme remains one of the key **challenges** due to absence of funding mechanism in the Integrated Coastal Management Act. The ODM continues to perform proactive coastal and catchment monitoring in order to inform and advise role-players on required actions.

Achievements

Appointment of the DEFF: Local Government Support official at the municipality to strengthen the support to local authorities and communities in the Overberg.

Development and submission of a Transformative Action Programme funding application for promotion of water security through the removal of alien vegetation while investigating the establishment of a green economy. This project was presented at an Urban-LEDS II project nursery workshop – building bankable projects, as one of three international projects. Successful implementation of EPWP project in partnership with Nuwejaars Special Management Area (SMA).

Challenges:

It remains a challenge to ensure enough future capacity to deliver on the environmental management functions as stipulated in various legislation. The Municipality awaits the response from the Department of Environmental, Forestry, Fisheries regarding the investigation relating to the Environmental Management Business Re-engineering and Legal Protocol (financing of the environmental mandate), in order to address the long-term sustainability of this function.

All positions in the department are filled. (Chapter 4 (4.1))

Table 32: Financial Performance 2019/2020: Environmental Management

Financial Performance 2019/2020: Environmental Management							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	21	143	143	95	-34%	(48)	
Expenditure:							
Employees	2 023	2 243	2 252	2 090	-7%	(161)	
Repairs and Maintenance							
Other	326	547	594	202	-66%	(392)	
Total Operational Expenditure	2 348	2 790	2 845	2 292	-19%	(553)	
Net Operational Expenditure	(2 328)	(2 647)	(2 702)	(2 197)	-19%	505	

Variations are calculated by comparing the Actual and Adjustment Budget.

Table 33: Capital Expenditure 2019/2020: Environmental Management

Capital Expenditure 2019/2020: Environmental Management						
						R' 000
Capital Projects	2019/20					
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget (%)	Total Project Value	Variance to adjustment Budget (R)
Total All						

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL MANAGEMENT

Environmental Management managed to stay within their operational budget but not all anticipated revenue realized due to the COVID-19 lockdown period.

COMPONENT F: HEALTH**INTRODUCTION TO HEALTH**

In terms of the Constitution of the Republic of South Africa, 1996, the Local Government: Municipal Structures, 1998 (Act 117 of 1998) and the National Health Act, 2003 (Act 61 of 2003), it is the statutory responsibility of the District Municipality to render Municipal Health Services in the district, in terms of Government Notice No. 826 of 13 June 2003 with effect from 1 July 2004.

The Municipal Health services are rendered from offices in Swellendam, Bredasdorp, Struisbaai, Hermanus, Kleinmond, Caledon and Grabouw.

3.8 MUNICIPAL HEALTH SERVICES (HEALTH INSPECTION)**INTRODUCTION TO MUNICIPAL HEALTH (INSPECTIONS, FOOD, ETC.)**

In accordance with Section 1 of the National Health Act, municipal health services include: -

- Water quality monitoring
- Food control
- Waste management
- Health surveillance of premises
- Surveillance and prevention of communicable diseases, excluding immunizations
- Vector control
- Environmental pollution control
- Disposal of the dead; and
- Chemical safety.

Health awareness training forms part of the day to day function and pandemic (COVID-19) introduced a huge challenge on the Department. A program was launched with the emphasis on prevention of contracting the virus. Hand washing, social distancing, masking and staying away from other people as much as possible. Safety and hygiene in general formed part of information shared with communities. A total of 2990 people were trained, in the four sub districts of the Overberg District Municipality. During June 2020 the department of Public Works introduced an EPWP program with the aim to serve communities with COVID-19 related information, especially in identified hotspot areas. The department trained 119 unemployed people in this regard. They reached 8500 people and household during the first phase of this project.

The department reported that the quality of the different waters which were monitored, is of good quality. A total of 434 drinking water samples were tested in towns and communities and 169 sewage final outflow samples were taken to determine the quality. The quality of the sewage final outflow for the district needs to improve and the local municipalities were informed.

Food quality monitoring was done through a food sample and food premises inspection program, with special attention to smaller outlets. In this regard a total of 407 food samples were taken to determine the quality of food being sold to the public. A number of 1 560 food premises were inspected in terms of Regulation 638 (National Health Act).

Medical waste generators were monitored, and 128 inspections were conducted. Landfill facilities were monitored and in one case legal action is in process to enforce the perpetrator to comply with landfill permit conditions and air quality legislation.

A large portion of the population (25 %) in the Overberg District is very young and Early Childhood Development Centres are playing a very important role to accommodate these youngsters. A number of 156 inspections were performed to monitor compliance of these premises. The pandemic (COVID-19) lockdown levels resulted in underperformance as crèches were closed.

Registration and training of Environmental Health practitioners (EHP's): It is required that EHP's register as health practitioners and it is also required by law to engage in Continued Professional Development (CPD) activities. These activities are registered and administered by the Health Professions Council of South Africa (HPCSA). It is compulsory for all EHP's to comply with CPD requirements in order to maintain their registration with the HPCSA. The Municipality empowered all its EHP's to comply with these requirements by subscribing to a service that allows EHP's to acquire the necessary CPD points by completing online training courses.

Challenges:

- To comply with the stipulations of the National Environmental Health Norms and Standards Notice 1229 of 2015.
- To promote the idea that Municipal Health Services can be the spearhead of the National Health Insurance Plan and can prevent a vast number of illnesses, if properly funded, and for a fraction of the cost of curative health services.
- The World Health Organisation and the National Norms and Standards stipulate that the ratio must be one Environmental Health Practitioner per 10 000 of the population. As the population in the Overberg is 294 391 it requires more EHP's than are currently employed. At year end the department had 15 EHP's employed.

Vacancies in the Department Municipal Health will be filled as and when the budget allows. (Chapter 4 (4.1))

Table 34: Financial Performance 2019/2020: Municipal Health

Financial Performance 2019/2020: Municipal Health							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	285	315	504	296	-41%	(19)	
Expenditure:							
Employees	12 347	13 241	14 222	12 767	-10%	(474)	
Repairs and Maintenance							
Other	1 493	1 721	1 925	1 478	-23%	(242)	
Total Operational Expenditure	13 840	14 962	16 147	14 245	-12%	(717)	
Net Operational Expenditure	(13 555)	(14 646)	(15 643)	(13 949)	-11%	698	
<i>Variations are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 35: Capital Expenditure 2019/2020: Municipal Health

Capital Expenditure 2019/2020: Municipal Health							R' 000
Capital Projects	2019/20						
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)	
Total All			40	100.00%		40	

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, ETC. OVERALL (Municipal Health)

Municipal Health managed to perform within its allocated operational budget. According to Municipal Health – Norms and standards, the service is understaffed, and the level of performance is not according to the requirements.

The capital expenditure of R40 000, relates to the COVID-19 thermometers that had been purchased and funded by the Disaster Grant.

COMPONENT G: SECURITY AND SAFETY

The Overberg District Municipality performs a fire and disaster management function in the district. The functions of Fire and Disaster Management are jointly conducted by the Emergency Department of the Municipality. The functions are controlled from the regional control centre in Bredasdorp.

3.9 EMERGENCY SERVICES (FIRE SERVICES)

INTRODUCTION TO FIRE SERVICES

The Overberg District Municipality provides a full fire service as per the Fire Brigade Service Act, 1987 (Act 99 of 1987), to the Cape Agulhas, Theewaterskloof and Swellendam Municipalities. An agreement with regards to the level of fire services rendered exist with Cape Agulhas and Theewaterskloof Municipality, with a co-operation agreement between Overstrand Municipality and Overberg District Municipality.

The service responds from the different stations situated in Swellendam, Caledon, Bredasdorp, Grabouw and Villiersdorp and Barrydale. Satellite stations are staffed by volunteers in Greyton, Riviersonderend, Struisbaai and Suurbraak. Closest resources to emergency calls are activated from the control centre situated in Bredasdorp.

The three top priorities for the unit remain:

- Reduction of after hour response time;
- Providing enough adequately trained staff to respond to incidents; and
- To ensure the safety of the Overberg communities and visitors.

Procurement delays prevented the completion of the Training Centre. The aim of this centre is to provide comprehensive training courses as well as accommodation giving execution to the Structures Act tasking the district with training of fire officers. Tenders were finally awarded in June 2020 paving the way forward for the completion of the Training Centre. This did not hold back the training as a successful Firefighter 1 training course was held at the fire facilities in Bredasdorp. In October 2019, 21 Firefighters qualified as fully-fledged firefighters. Of this group 9 were EPWP fire assistants of which 4 could be full time employed due to the program.

The first of August 2019 a 24-hour shift system was implemented in Grabouw, rapidly reducing response time and improving service to the community of Grabouw. This was partly made possible due to a new fire station that was erected with the assistance of the Two-a-Day Group.



First class that passed the Firefighters 1 training course



Fire Station at Grabouw

The District Fire Working Group provides for the association and assembly of persons who have to deal with fires and related incidents such as veld fires, rural/urban interface fires, land management, natural resource management and

prescribed burning in the Overberg District. This workgroup met once during the year to discuss matters of importance. Due to the COVID 19 Virus and lockdowns, a second meeting could not take place.

The Municipality managed, again, to secure aerial support for the district for the five months of the fire season. Aerial resources operated very effectively in an environment where the number and intensity of fires is on the increase.

Landowner involvement with fires remained constant during the year. ODM received support from landowners assisting through the coordination by the Greater Overberg Fire Protection Association.

The last three months of the year the fire department became involved in the fight against the pandemic (COVID-19), supporting Health in preventing the spread of the virus. Activities included sanitization of taxi ranks and public spaces, decontamination of critical buildings and supporting law enforcement.

The greatest **challenge** facing the service remain finances, in order to perform the service according to the SANS standards.



Planned activities for 2020/2021

1. Increase our Fire Prevention Activities and Strategies together with the FPA
2. Improve our Public Information Systems
3. Youth Development Program through our training centre.
4. Work towards a cohesive, inclusive and integrated Safety Strategy for the Overberg

Table 36: Fire Services Data

Details	2018/2019	2019/2020
	Actual Number	Actual Number
Total incidents attended in the year	1573	2202
Average turnout time – urban areas	Office hours 7 min, after hours 15 min	Office hours 7 min, after hours 15 min Swellendam 4 minutes all hours
Average turnout time – rural areas	15-30 min	15-30 min
Firefighters in post at year end	44	47
Total fire vehicles at year end	25	31
Average number of appliances off the road during the year	2	2

Vacancies in the Department Emergency Services will be filled as and when the budget allows. (Chapter 4 (4.1)).

Table 37: Financial Performance 2019/2020: Emergency Services

Financial Performance 2019/2020: Emergency Services							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	3 120	4 084	4 084	3 447	-16%	(637)	
Expenditure:							
Employees	19 874	22 719	21 856	21 372	-2%	(485)	
Repairs and Maintenance							
Other	8 388	8 156	7 839	7 925	1%	41	
Total Operational Expenditure	28 262	30 876	29 696	29 297	-1%	(444)	
Net Operational Expenditure	(25 143)	(26 792)	(25 612)	(25 850)	1%	(193)	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 38: Capital Expenditure 2019/2020: Emergency Services

Capital Expenditure 2019/2020: Emergency Services						
						R' 000
Capital Projects	2019/20					
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget (%)	Total Project Value	Variance to Adjustment Budget (R)
Total All	4 500	4 547	2 416	-46.86%		(2 131)

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

Fire Services managed to perform within its allocated operational budget but not all anticipated revenue was received due to the fact that not all local municipalities contributed towards the rendering of fire service in the district.

The capital project "Fire Station" to the amount of R2.9 million as properties will not be sold timely in the 2019/20 financial year to finance the project, was removed in the Adjustment Budget. Once there are funds available from the sale of properties, the project will be included in future budgets for consideration to be completed. However, projects financed from own funds, were rolled over from the previous financial year valued at R1.447 million. Furthermore, projects to the value of R2.4 million funded by Provincial Government were also rolled over from the previous financial year. Of the new allocation of the Safety Implementation Grant, an amount of R900 000 was transferred to the Operational Budget to fund the deployment of the Mediation teams.

The under spending on capital budget was mainly due to roll-over of unspent committed Provincial Grant funds to the value of R2 million and R100 000 of own funds.

3.10 DISASTER MANAGEMENT**INTRODUCTION TO DISASTER MANAGEMENT**

Disaster Management is performed in the district as per the requirements of the applicable act and framework. The mandatory administrative part of the function, as described in the act, is adhered to as allowed by financial resources. However, it needs to be noted that Disaster Management is still an unfunded mandate, and it remains very difficult to fulfil the full function with the limited budget. Due to these constraints the disaster management continuum is not fully addressed, and the division is more reactive focused than preventative focused.

The main focus areas of the unit up to February 2020 were awareness, risk assessment and planned projects, which took place on an on-going basis. Up to March 2020 Overberg district did not declare any disaster but became a key and lead district role-player in the biggest disaster to hit South Africa.

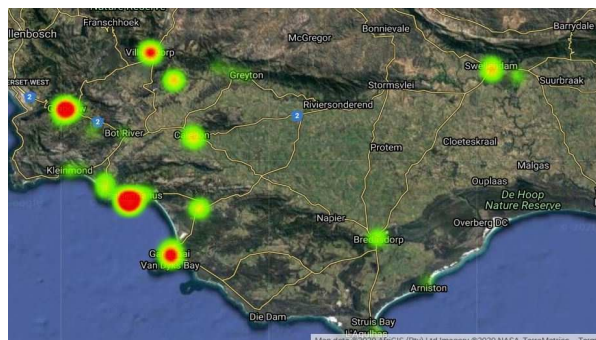
COVID-19 and Overberg Disaster Management

The Disaster Management Advisory Forum was temporarily replaced by the COVID District Joint Operational Centre (JOC) that met three times a week. The Disaster Risk Management Plan was updated and approved by Council as well as the Disaster Management Framework. Over and above the Disaster Management Advisory Forum meetings, Disaster Management has a standing item on the District Coordinating Forum (DCF) and DCF Technical Forum to ensure that the function and strategies are conveyed to the highest level.



- The WHO (World Health Organization) declared Public Health Emergency of International Concern on 30 January 2020, this following a pneumonia of unknown cause detected in Wuhan, China on 31 December 2019.
- The first case of the Corona virus was reported on 9 March 2020 in the Kwa-Zulu Natal region.
- On 12 March 2020 Overberg District Municipality called the first Covid 19 Disaster Management Coordination Meeting.
- On 13 March 2020 the Municipal Managers of the district received a complete briefing on COVID-19 at the DCF Tech Meeting.

- A special DCF meeting was held on 18 March 2020 to discuss COVID-19 and to approve the way forward and align the actions with the Joint District Approach (JDA).
- In consideration of the magnitude and severity of the COVID-19 outbreak which has been declared a global pandemic by the World Health Organization (WHO), Cabinet in its special Cabinet meeting held on 15 March 2020 resolved to declare a National State of Disaster. In this regard, the Minister of Cooperative Governance and Traditional Affairs (COGTA) issued a Gazette declaring a State of Disaster, in terms of Section 27 of the Disaster Management Act, 2002.
- To ensure a well-integrated and coordinated planning and response to the COVID-19, the directions provides for establishment of the provincial and district institutional structures. This led to the establishment of the Overberg Joint Operational Centre (JOC) on 20 March 2020. From that day forward the JOC met three times a week virtually to operationally manage the COVID 19 response in the Overberg.



Hotspot identification

Overberg Safety

During the year, intense involvement in the establishment and driving the Overberg Safety Forum and Safety initiative leading to the following successes in the community-safety realm in the Overberg District:

- A Successful Safety Summit was held at Helderstroum Correctional Facility;
- Funds and strategies for Safety Initiatives were obtained through a Conditional Grant from Department of Community Safety;
- Recruitment, Selection, Training and deployment of mediators and mediation teams in the Overberg;
- Strengthening of registered Neighbourhood watches and funding of Social Crime prevention projects in the municipalities;
- Strengthening of Rural Safety Systems; and
- District Safety Plan completed bases on summit inputs and community needs.

Overall Challenges: Disaster Management does not have its own operational budget and relies on the budget and forms part of the Emergency Services Department, which makes the implementation of special Disaster Management Projects impossible.

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL

The budget allocation of Disaster Management forms part of the Emergency Services budget.

COMPONENT H: SPORT AND RECREATION

3.11 RESORTS

INTRODUCTION TO RESORTS

The Municipality has two (2) functional resorts under its control namely Uilenkraalsmond and Die Dam.

Uilenkraalsmond Resort is being managed by the Municipality under a management agreement with Department Public Works (DPW). Numerous attempts have been made to obtain ownership of the property from the department. The Die Dam Resort is owned and manage by the Municipality.

The Municipality has rolled-out the upgrading of the water network project at Die Dam holiday resort. Pumps were purchased for the irrigation of the reticulated water. Water purification systems at three ablution blocks were implemented. This treated/purified water can be utilized for irrigation purposes and the additional water can be stored in tanks to be used in the event of a fire outbreak. The extraction of effluent water by the sewerage truck will be minimized, reducing costs in fuel as well as wear and tear of the truck. All planned projects for the year could not be finalized, as pandemic (COVID-19) impacted on the implementation of projects. This resulted in the roll-over of some projects to the next financial year such as the upgrading of Uilenkraalsmond chalets and electricity and water upgrading at Die Dam.

The resorts were closed since the announcement of the pandemic and will only be re-opened under lockdown level one. **Planned focus area:** To draft a COVID-19 risk-adjusted strategy for the opening of the Resorts.

The Resorts experienced a significant decrease in the occupancy compared to the previous financial year due to the lockdown regulations of the COVID-19 pandemic.

Die Dam Resorts experienced several housebreaking incidents, especially during the lockdown period. With the assistance of the Neighbourhood Watch of Uilenkraalsmond, a Neighbourhood Watch was established at Die Dam Resort.

Challenges:

- The primary challenge is the affect that the pandemic has on the economic and sustainable livelihood of the Resorts.
- The ageing infrastructure and insufficient funds for total renovation and upgrading.
- The enforcement of the Semi-permanent lease contract and the Resort Rules remain a challenge due to non-adherence. The increase in permanent residency and sub-letting is a concern.
- The proliferation of illegal building structures and uncontrolled building work by semi-permanent lessees.
- The land ownership at Uilenkraalsmond still remains unresolved as the Municipality is not the registered owner.

Table 39: Resorts Occupancy Rate

Accommodation per year					
Resort	Type of accommodation	Quantity	2018/2019	2019/2020	% Increase / Decrease
Uilenkraalsmond	Chalets	36	5446	3287	-39.64%
	Camping Sites	110	4409	4048	-8.19%
	Hall	1	12	48	300.00%
Die Dam	Chalets	2	368	271	-26.36%
	Camping Sites	89	2902	744	-74.36%

Table 40: Financial Performance 2019/2020: Resorts

Financial Performance 2019/2020: Resorts						
R'000						
Details	2018/19	2019/20				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to adjustment Budget (%)	Variance to Adjustment Budget (R)
Total Operational Revenue	16 313	17 658	18 308	15 651	-15%	(2 657)
Expenditure:						
Employees	7 221	8 050	8 570	6 692	-22%	(1 878)
Repairs and Maintenance						
Other	11 017	10 770	11 363	10 133	-11%	(1 230)
Total Operational Expenditure	18 238	18 820	19 933	16 825	-16%	(3 108)
Net Operational Expenditure	(1 925)	(1 161)	(1 625)	(1 174)	-28%	451
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>						

Table 41: Capital Expenditure 2019/2020: Resorts

Capital Expenditure 2019/20: Resorts						
R'000						
Capital Projects	2019/2020					
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget	Total Project Value	Variance to Adjustment Budget (R)
Total All	360	540	119	-77.89%		(421)

COMMENT ON THE PERFORMANCE OF RESORT OVERALL

EPWP, LED and Tourism budget also forms part of the resorts budget. Although the function managed to perform within its allocated operational budget, not all anticipated revenue was received, mainly due to the lower occupancy rate experienced during the COVID-19 lockdown period.

Projects to the value of R300 000 were rolled over from the previous financial year and an upgrade project transferred to the Operational Budget, resulting in an increased Adjustment Budget. However, the capital project budget was underspent, due to projects not finalized at year-end as the procurement processes were delayed during the COVID-19 lockdown period. Uncompleted projects to the value of R394 000 were rolled over to the next financial year, as adjudication commitments were made in this regard at year end.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES, ETC.

The corporate policy offices include executive and Council, financial services, human resources, information and communication services, support services, property, legal and risk management, communication and Internal Audit.

3.12 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

This component includes: Executive office (Executive Mayor; Councillors; Municipal Manager, Directors, Internal Audit). A strategic session was held on 24 February 2020 to inform the 2020/2021 IDP review on the 4th Generation IDP. Council approved the 2020/2021 IDP and Budget on 25 May 2020.

Council provides its oversight responsibility regarding financial and performance reporting, compliance and related internal controls. The following committees are functional: Section 80, Municipal Public Account Committee (MPAC), Audit and Performance Audit Committee and Fraud and Risk Management Committee.

A healthy and constructive working relationship exists between the governing party and the opposition, which proves to be extremely beneficial to the administration as well as communities in the Overberg. Regular performance reports were provided to Council and its committee to provide these structures with information and progress against targets, the implementation of budget and policies.

Council reviewed and approved various policies to strengthen the Municipality's decision-making and management. The Mayor provides feedback to Council on all decisions taken by the Executive Mayoral Committee.

COVID-19 pandemic was officially been declared as a national state of disaster by the President of South Africa. The disaster is managed by implementing lockdown levels. The first lockdown level was level 5 which impact on the operations of the municipality, as it was only essential services that were allowed to operate during this level. To ensure business continuity during the lockdown the municipality embarked on virtual meeting and work from home approached where possible. Functions returned to operations as the lockdown levels were eased.

The position of Senior Manager: Corporate Services, Head of the Directorate Corporate Services, was filled during the year.

Audit and Performance Audit Committee and MPAC meetings were held to fulfil their roles as oversight committees. Continued DCF and DCF Tech Committee meetings were held on a quarterly basis to ensure sound intergovernmental relations and cooperative interaction between the municipalities in the district. Points of discussion were the pandemic (COVID-19), Fire and Disaster Management, Drought, Security and Safety and landfill sites.

Challenges: The primary challenges are the COVID-19 pandemic and to mitigate the top strategic risks, which includes ensuring sustainable revenue, which will promote Council fulfilling its constitutional mandate, optimizing service delivery as well as ensuring the continuous sustainability of the Municipality for the future.

Vacancies will be filled as and when the budget allows. One employee to be placed (Chapter 4 (4.1)).

Table 42: Financial Performance 2019/2020: The Executive and Council

Financial Performance 2019/2020: Executive and Council							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	10 097	14 681	15 261	10 318	-32%	(4 943)	
Expenditure:							
Employees	1 812	2 316	2 440	1 994	-18%	(446)	
Repairs and Maintenance							
Other	8 788	8 875	9 163	8 407	-8%	(756)	
Total Operational Expenditure	10 600	11 191	11 604	10 401	-10%	(1 202)	
Net Operational Expenditure	(503)	3 490	3 658	(83)	-102%	(3 741)	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 43: Capital Expenditure 2019/2020: The Executive and Council

Capital Expenditure 2019/20: Executive and Council							R'000
Capital Projects	2019/2020						
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All							

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Executive and Council managed to stay within their allocated operational budget but the anticipated revenue regarding gains on lands sales to the value of R5.1 million did not realized.

Table 44: Financial Performance 2019/2020: Internal Audit

Financial Performance 2019/2020: Internal Audit							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	1 188	1 319	1 613	1 290	-20%	(324)	
Repairs and Maintenance							
Other	39	47	60	35	-41%	(25)	
Total Operational Expenditure	1 228	1 366	1 673	1 325	-21%	(348)	
Net Operational Expenditure	(1 228)	(1 366)	(1 673)	(1 325)	-21%	348	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 45: Capital Expenditure 2019/2020: Internal Audit

Capital Expenditure 2019/20: Internal Audit							R'000
Capital Projects	2019/2020						
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All							

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Internal Audit managed to stay within its allocated operational budget.

3.13 FINANCIAL SERVICES**INTRODUCTION TO FINANCIAL SERVICES**

This component includes: Financial Services, Supply Chain Management, Revenue and Expenditure Management.

Although the Municipality is experiencing limited financial resources to fulfil its mandatory functions to its full capacity while the COVID-19 pandemic also resulted in several challenges for the Financial Services directorate. Notwithstanding the challenges as indicated, all reports in terms of the Municipal Finance Management Act submitted as required and all creditors were paid timeously.

The COVID-19 pandemic impacted negatively on the following:

- The supply chain management processes - there was a total lockdown and due dates for tenders had to be extended which resulted in that all capital projects could not be executed.
- Invoices could not be submitted timeously.
- The income and the liquidity of the municipality as the resorts had to be closed.

The Medium-Term Revenue and Expenditure Framework was approved, and budget controls were executed. In-year monitoring reports were compiled and submitted to all stakeholders within legislative timeframes.

It must be highlighted that the Municipality is operating a very successful and interactive Finance Portfolio Committee with open sessions to jointly seek solutions and best practices. All existing financial- and budget related policies were reviewed while a Cost Containment Policy was implemented. An inclusive process was followed in compiling the 2020/21 MTREF Budget with the involvement of all Departments as well as the Budget Steering Committee.

MSCOA is fully implemented and the planned focus for the next few years is to expand the seamless integration to Human Resources, Payroll, Supply Chain Management and the Service Delivery Budget Implementation Plans (SDBIP). Progress has also been made in extraction of MFMA reports directly from the financial system and it should be finalized in the 2020/21 financial year.

To promote regional economic development in the district, suppliers were encouraged to register on the municipality's database. The planned focus is to enhance local economic development by using local suppliers.

The Municipality received an unqualified audit report from the Auditor-General for the financial year 2018/2019.

Vacancies in the directorate will be filled as and when the budget allows. (Chapter 4 (4.1)).

Table 46: Debt Recovery

Debt Recovery								
R' 000								
Details of the types of account raised and recovered	2017/18		2018/19			2019/20		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Municipal and other Services	18 312	91.93%	20 316	18 864	92.85%	29 384	24 551	83.55%

Table 47: Financial Performance 2019/2020: Financial Services

Financial Performance 2019/2020: Financial Services							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	82 782	78 898	80 712	79 795	-1%	(917)	
Expenditure:							
Employees	9 245	9 902	10 362	9 612	-7%	(750)	
Repairs and Maintenance							
Other	15 075	13 102	14 133	9 603	-32%	(4 529)	
Total Operational Expenditure	24 320	23 004	24 494	19 215	-22%	(5 279)	
Net Operational Expenditure	58 462	55 893	56 217	60 579	8%	4 362	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 48: Capital Expenditure 2019/2020: Financial Services

Capital Expenditure 2019/20: Financial Services							R'000
Capital Projects	2019/2020						
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	65	115	19	-521%		(96)	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

Financial Services underspent on their budget due to several grant projects that were not realized and those projects for which approval had been received from Provincial Treasury, will be rolled over to the next financial year.

The capital budget was also underspent due to procurement processes that were delayed due to the COVID-19 pandemic lockdown period and one project to the value of R80 000 had to be transferred to the following financial year.

3.14 HUMAN RESOURCE SERVICES**INTRODUCTION TO HUMAN RESOURCE SERVICES**

The Human Resources department plays an active role in the alignment of the IDP and staff, to ensure that the municipality reached its strategic goals.

The Department Human Resources of the Overberg District Municipality presides over the following functions and duties:

- Labour Relations;
- Recruitment and Selection;
- Employment Equity;
- Training and Development;
- Occupational Health and Safety;
- Organisational Structure and Job Evaluations;
- Human Resource Administration; and
- Employee Assistance Programme.

The training budget was underspent, as training scheduled for the fourth quarter was postponed due to the pandemic. The submission of the Workplace Skills Plan for 2020/2021 period was also delayed and submitted on 27 May 2020 as LGSeta extended the submission date to 31 May 2020.

A workshop with Management took place in the compilation of the Employment Equity Plan. Before submitting the final Employment Equity Plan and Report to Department of Labour, a workshop was conducted to inform the Employment Equity Committee on the set targets and goals for the reporting period. The Employment Equity Plan and report was submitted within the legislative framework.

The department embarked, for the first time, on a roadshow to all departments/depts for the purpose of awareness on any changes to employee related issues. It was decided to hold the roadshow annually.

Interactive Local Labour Forums, Training-, Health & Safety- and Employment Equity Committee meetings took place during the year. The Department starts with a process to review all human resources related policies.

Vacancies in the Department will be filled as and when the budget allows. (Chapter 4 (4.1)).

Table 49: Financial Performance 2019/2020: Human Resources Services

Financial Performance 2019/2020: Human Resources							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	1 617	1 788	2 556	1 857	-27%	(699)	
Repairs and Maintenance							
Other	393	759	1 017	359	-65%	(658)	
Total Operational Expenditure	2 010	2 547	3 572	2 216	-38%	(1 357)	
Net Operational Expenditure	(2 010)	(2 547)	(3 572)	(2 216)	-38%	1 357	
Variances are calculated by comparing the Actual and Adjustment Budget.							

Table 50: Capital Expenditure 2019/2020: Human Resources Services

Capital Expenditure 2019/20: Human Resources							R'000
Capital Projects	2019/2020						
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All							

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES SERVICES OVERALL

Human Resources managed to perform their duties within their operational budget, but underspent grant funding projects such as bursaries and training processes that were postponed due to COVID-19 pandemic lockdown period.

3.15 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT department is situated in the Corporate Directorate and is capacitated with two permanent employees. The unit is responsible for the ICT infrastructure at 11 premises with a total of 160 end-users. The effectiveness of technology and information management is monitored by regularly reporting against the ICT implementation plan to the ICT Steering Committee.

The top priorities of the unit are the financial system, e-mails and internet access. No data was lost on the financial system and backups are performed daily. The financial program, performance management and the information management system of roads are maintained by outside organisations. The department received 602 support requests from end-users, of which the majority related to the resetting of passwords.

The implementation of MS Teams was necessitated by the COVID-19 pandemic and the need for employees to be able to work from remote locations. The advantages of the implementation are that time and costs are saved as employees need not travel all over the district to attend meetings.

The following achievements need to be highlighted:

- Implemented virtualization technology for the ODM servers.
- Implemented Advanced Threat Analytics.
- Implemented Azure Information Protection.
- MS Teams

Challenges: Staff capacity issues. Two staff members must handle all support requests, network and server maintenance and functions related to the management of the IT department.

Further focus areas: Decommissioning the last Windows Server 2008 servers when the service provider have moved the functionality over to the new server.

Vacancies will be filled as and when budget allows (Chapter 4 (4.1))

Table 51: Financial Performance 2019/2020: ICT

Financial Performance 2019/2020: ICT							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue							
Expenditure:							
Employees	1 008	1 129	1 379	1 095	-21%	(285)	
Repairs and Maintenance							
Other	2 176	2 031	2 350	2 124	-10%	(227)	
Total Operational Expenditure	3 184	3 161	3 730	3 218	-14%	(511)	
Net Operational Expenditure	(3 184)	(3 161)	(3 730)	(3 218)	-14%	511	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 52: Capital Expenditure 2019/2020: ICT

Capital Expenditure 2019/20: ICT							R'000
Capital Projects	2019/2020						
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All	300	450	403	-12%%		(47)	

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The department managed to stay within their allocated operational budget. Uncomplete capital projects to the value of R150 000 for computer equipment, had been rolled over from the previous financial year and nearly all the funds were spent.

3.16 SUPPORT: SUPPORT, COMMITTEE SERVICES, RECORD MANAGEMENT, LEGAL, PROPERTY MANAGEMENT, RISK MANAGEMENT, PERFORMANCE MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO SUPPORT: SUPPORT, COMMITTEE SERVICES, RECORD MANAGEMENT AND COUNCILLOR SUPPORT, PROPERTY MANAGEMENT, LEGAL, RISK MANAGEMENT, PERFORMANCE MANAGEMENT AND PROCUREMENT SERVICES

SUPPORT, COMMITTEE SERVICES, RECORD MANAGEMENT AND COUNCILLOR SUPPORT

Committee Services rendered an administrative support service to Council and its political structures and ensures quality administrative service delivery by managing all statutory committees and *ad hoc* committee meetings and ensuring effective coordination and prompt secretariat support.

With the announcement of the COVID-19 pandemic the municipality implement MS Teams meetings for all its meetings. This resulted excessive spending on printing and delivery costs of Council documents. All Meetings are held virtually, as per approved: Rules of Order Regulating the Conduct of Meetings of the Municipal Council, for the Overberg District Municipality.

The circulation of agendas for Council, Section 80 Committee and Mayco meetings are distributed within five days prior to the meeting. This resulted in Councillors having enough time to prepare for meetings.

Records are created by the Overberg District Municipality and are managed in accordance with the records management principles contained in section 9 of the Provincial Archives and Records Service of the Western Cape Act, 2005).

Records and Archives manages the implementation of procedures associated with document flow, such as the archiving and keeping of records systems (in accordance with statutory prescriptions), establishment and maintenance of registry procedures for the operating of the registry office and regulating record keeping. During the year under review the Record Management Policy was reviewed and approved by Council.

The activities of the switchboard and reception entail liaison and client services. Emphasis was placed on the access control into the building.

The Maintenance and Cleaning Service Section is responsible for maintenance and cleaning of the buildings and offices. An effective cleaning and maintenance service are rendered to the administration buildings of the Municipality.

PROPERTY MANAGEMENT

Municipal properties are listed in the Asset and Investment Registers with their classification, location, value, etc.

Council identified properties for investment purposes to be sold. The properties identified are not required for the rendering of basic municipal services.

The intention for selling these properties are to improve service delivery and the revenue generated from the selling will be used exclusively for capital projects.

Challenges: The slow growth in the economy influencing market values of the property to be sold, dealing with objections, transfer of properties and clause extractions from title deeds.

LEGAL

The Municipality has no internal legal capacity and makes use of external legal assistance. A Labour Court review application related to TASK job evaluations is still pending.

RISK MANAGEMENT (SHARED SERVICES)

The risk management function was performed by the Chief Risk Officer (CRO) on a Shared Service basis between the four participating municipalities in the district for the second half of the year. The CRO position was filled on a contract appointment. With the prior vacancy of the CRO, the function was handled by the Performance Management Officer with the assistance of a Financial Intern.

Risk management meetings took place on a quarterly basis. The Strategic and Operational Risk registers were reviewed during the year and were adopted.

Quarterly reports were submitted to the DCF Tech Committee on the status of the Shared Services for Risk Management and initiatives.

The initiatives and actions performed by the Shared Service Risk Management Unit during the year include:

- The periodic reviews conducted by management on their departmental risks.
- Comprehensive annual departmental risk assessments, involving the heads of department which contributed to the compilation of the most detailed risk register to date.
- Strategic risk assessment with Executive Mayoral Committee and the approval of the register by Council.
- The introduction of ethics to all new employees were implemented as part of the employee induction process.
- Continuous emphasis on possible fraud and corruption risks and the related risk action plans.
- Extensive COVID-19 risk assessment was done in all the departments.
- Monitor the risk management implementation plan.
- Engaging and involving all levels of management with the risk management activities.
- Compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by Council.
- Participation in the Overberg District Internal Audit and Risk Management Forum.
- Improved co-operation between the Risk Management Unit and Internal Audit, reducing duplication, increasing the sharing of risk information and improving assurance coverage, while respecting Internal Audit's independence.
- Risk Management Committee performance evaluation through individual assessments by the members in the form of a questionnaire.
- Adding value of "best practice" developments to the Fraud and Risk Management Committee (FARMC). Review of the risk register, incident and emerging risks and corrupt, fraudulent and unethical incidents are standard agenda items for Risk Management Committee meetings.
- Risk management is a standing agenda item at the Audit and Performance Audit Committee meetings, where the Chairperson of the Fraud and Risk Management Committee, Independent Audit Committee member of FARMC and Chief Risk Officer provide feedback.
- Quarterly Risk report were submitted to all the Portfolio Committee meeting (and if required to Council).
- The following risk related documents were reviewed by the FARMC:
 - Risk Management Strategy.
 - Risk Management Policy.
 - FARMC Terms of Reference.
 - Combined Assurance Policy Framework.
 - Code of Ethics.
- Council also approved the 2020/2021 Risk Management Implementation Plan on 26 June 2020.

Planned areas for future focus

- Fill vacant CRO post.

PERFORMANCE MANAGEMENT

The Municipality has a functional Performance Management System in place, which includes the Service Delivery Budget and Implementation Plan (SDBIP) and individual performances management. During October 2019 individual performance agreements were concluded with employees on recognized and placed positions down to the lowest level in line with the SDBIP. The unit is also responsible for the compilation of the Annual Report and to facilitate the performance assessments of the Municipal Manager and Directors. Performance bonuses were paid to the two directors on the 2018/2019 performance assessment. The Municipal Manager decided to not take-up his bonus as part of his contribution toward cost containment.

Performance assessments were done bi-annually with staff and the performance assessment of the Municipal Manager and Directors took place in terms of their performance contracts. To give effect to the performance results on the SDBIP, the quarterly performance report is combined with the Section 52(d) report in terms of the MFMA. The mid-year budget and performance report, compiled in collaboration with the Budget and Treasury Offices, resulted in the adjustment of the Budget and SDBIP.

No formal evaluation was done by Council of its own performance and that of its committees, the Speaker and its individual members. Performance evaluations may be implemented in the future.

The Performance Management Unit experienced a **challenge** with human capacity as it is staffed by one employee and one temporary employee.

Vacancies for these functions will be filled as and when budget allows. Employees are yet to be placed and outstanding job evaluations to be finalized. (Chapter 4 (4.1))

PROCUREMENT SERVICES – Part of Financial Services - nr. 3.13

Table 53: Financial Performance 2019/2020 Support

Financial Performance 2019/2020: Support							R'000
Details	2018/19	2019/20					
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget (%)	Variance to Adjustment Budget (R)	
Total Operational Revenue	408	562	602	197	-67%	(405)	
Expenditure:							
Employees	5 233	7 769	7 731	6 512	-16%	(1 219)	
Repairs and Maintenance							
Other	1 631	2 553	3 046	2 288	-25%	(758)	
Total Operational Expenditure	6 864	10 322	10 777	8 800	-18%	(1 977)	
Net Operational Expenditure	(6 456)	(9 761)	(10 175)	(8 603)	-15%	1 572	
<i>Variances are calculated by comparing the Actual and Adjustment Budget.</i>							

Table 54: Capital Expenditure 2019/2020 Support

Capital Expenditure 2019/20: Support							R'000
Capital Projects	2019/2020						
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget	Total Project Value	Variance to Adjustment Budget (R)	
Total All							

COMMENT ON THE PERFORMANCE OF SUPPORT, COMMITTEE SERVICES, RECORD MANAGEMENT, PROPERTY MANAGEMENT, LEGAL AND PERFORMANCE AND RISK MANAGEMENT OVERALL

Support Services managed to perform their functions within its allocated operating budget. The underperformance in revenue was due to the vacancy of the CRO - Risk Management Shared Services function. The users of the function are only billed on the actual expense.

COMPONENT J: ORGANISATIONAL PERFORMANCE
DETAILED PERFORMANCE REPORT FOR 2019/2020 PER STRATEGIC OBJECTIVE/GOALS
Strategic Goal 1 (SG1)
To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL21	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended).	Number of samples taken per annum.	All	611	400	100	100	100	100	400	434	G2	434 Samples were taken. Additional samples were required due to the non-compliance of water quality in municipal areas.	None required.
TL22	Take food samples to monitor the quality of Food ito the FCD Act and legislative requirements.	Number of samples taken per annum.	All	418	400	100	100	100	100	400	407	G2	407 Samples were taken. Unforeseen circumstances required additional samples.	None required.
TL23	Inspect waste management sites wrt generators and couriers of medical waste according to Municipal Health By-Law of Council.	Number of sites inspected per annum.	All	141	120	30	30	30	30	120	93	O	93 Sites were inspected. The reason for underperformance was that the actual number reported and the unit of measurement did not align. This was due to counting of the number of inspections performed instead of the number of sites inspected.	To ensure that outcome and source of evidence align with the Description of unit of measurement.
TL24	Take water sample at Sewerage Final Outflow to monitor water quality (SAN 241 as amended).	Number of samples taken per annum.	All	175	160	40	40	40	40	160	169	G2	169 Samples were taken. Extra monitoring was needed due to non-compliance.	None required.
TL25	Inspect Food Premises according to Regulation R.638.	Number of food premises inspected per annum.	All	1696	1 560	400	380	380	400	1 560	1026	R	1026 Food premises were inspected. The reason for underperformance was that the actual number reported and the unit of measurement did not align. This was due to counting of the number of inspections performed instead of the number of food premises inspected.	To ensure that outcome and source of evidence align with the Description of unit of measurement.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL26	Inspect crèches to ensure compliance with the Municipal Health By-Law.	Number of crèches inspected per annum.	All	New	160	0	0	0	160	160	96	R	96 Crèches were inspected. The reason for underperformance was that the actual number reported and the unit of measurement did not align. This was due to counting of the number of inspections performed instead of the number of crèches inspected. The Covid-19 lock-down also resulted in under performance as crèches were closed for the greater part of the last quarter.	To ensure that outcome and source of evidence align with the Description of unit of measurement.
TL27	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee.	Number of reports submitted per annum.	All	4	4	1	1	1	1	4	4	G	4 Quarterly reports were submitted.	None required.
TL28	Report annually by June to the Community Services Portfolio Committee on the outcome of Karwyderskraal Landfill site adherence to the permit conditions.	Report submitted to the Community Portfolio Committee.	All	1	1	0	0	0	1	1	1	G	Report was tabled on 22/06/2020, item 7.1 The overall compliance score was 97,9%.	None required.
TL29	Report quarterly to the Community Services Portfolio Committee on the activities of the Regional Waste Forum.	Number of reports submitted per annum.	All	4	4	1	1	1	1	4	4	G	4 Quarterly reports were submitted.	None required.

CHAPTER 3

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL31	Table the revised Disaster Risk Management Plan to Council by 30 June 2020.	Revised Disaster Management Plan tabled to Council annually.	All	1	1	0	0	0	1	1	1	G	The revised Disaster Risk Management Plan was tabled to Council on 29/06/2020, Item A73.	None required.
TL32	Table to Council the revised Disaster Management Framework by 30 June 2020.	Revised Disaster Management Framework tabled to Council annually.	All	1	1	0	0	0	1	1	1	G	The revised Disaster Management Framework was tabled to Council on 29/06/2020, Item A71.	None required.
TL33	Revise annually the Safer Communities Project Plan and tabled to Community Services Portfolio Committee.	Revised Safer Community Project Plan tabled annually.	All	1	1	0	0	0	1	1	1	G	Plan was tabled to the Community Services Portfolio Committee meeting on 22/06/2020, Item 9.3.	None required.
TL34	Present annually the revised Festive and Fire Season Readiness Plan to DCF Tech.	Revised Festive and Season Readiness plan presented annually.	All	1	1	0	1	0	0	1	1	G	Plan presented on 08/11/2019 to the DCF Tech members.	None required.
TL35	Construction of a Fire Station at Caledon by June 2020.	Fire Station constructed.	All	0	0	0	0	0	0	0	0	N/A	The funding source of the project was subject to the sale of property. Target amended accordance to revised capital project budget as the sale of property did not realized. The working progress amount at 30/06/2020 was R313006.	Target to roll over to next financial year. Project will now be done in phases as funds become available. Project financing is still subject to the sale of property.
TL36	Report quarterly to the DCF Tech on drought and water security.	Number of draught and water security reports submitted per annum.	All	4	4	1	1	1	1	4	4	G	Reported to DCF Tech meetings held on 18/09/2019, 8/11/2019, 13/03/2020 and the fourth quarter report was presented on 13/05/2020.	None required.

CHAPTER 3

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL37	Engage at integrated fire management sessions with land owners in the Overberg by June 2020.	Number of engagements occurred per annum.	All	9	8	2	2	2	2	8	5	R	5 Fire management sessions were held. The underperformance was due to the lack of proper evidence maintained for the engagements held.	To have an engagement with the action owner to ensure that the action owner understand the SOP and evidences to be held. Performance Management must review the results to ensure that all supporting documents are in place.
TL38	Upgrade DR1001 (Hangklip Road) to permanent surface by June 2020.	Number of kilometres of road upgraded to permanent surface per annum.	All	New	4.05	0	0	0	4.05	4.05	4.05	G	Project was completed on 29/06/2020.	None required.
TL39	Kilometres of gravel roads to be regravelled in 2019/2020.	Number of kilometres road regravelled per annum.	All	43.36	45.44	9.5	10.39	15.05	10.5	45.44	37.01	O	Target under performed due to the breakdown of essential plant and the pandemic (Covid-19) lock down. R27154116 of the final budgeted amount of R28356174 was spent.	All work on gravel roads to be regravelled has been resumed on 01/06/2020. This will be a phased in process. The pandemic will still have an impact on the execution of projects.
TL40	Kilometres of gravel roads to be bladed in 2019/2020.	Number of kilometres roads bladed per annum.	All	6812.49	6 400	1 950	1 500	1 350	1 600	6 400	5 855.42	O	Target was not met due to the pandemic (Covid-19) lock down. R11660282 of the final budgeted amount of R13175000 was spent.	All work on gravel roads to be bladed has been resumed on 25/05/2020. This will be a phased in process. The pandemic will still have an impact on the execution of projects.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL41	Submit annually business plan for provincial roads budget allocation to Dept of Transport and Public Works by 31 March	Annual business plan submitted.	All	1	1	0	0	1	0	1	1	G	Business plan submitted and signed off by Department of Transport and Public Works on 18/03/2020.	None required.

Strategic Goal 2 (SG2)**To promote regional economic development by supporting initiatives in the District for the development of a sustainable district economy**

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL19	Coordinate and facilitate two SCM/LED Open days by 30 June 2020.	Number of SCM/LED open days coordinated and facilitated per annum.	All	2	2	0	0	1	1	2	0	R	Action was not executed in terms of the KPI and the Pandemic (Covid-19) lock down also impacted on the execution of the KPI.	KPI - role over to next financial year.
TL20	Invite service providers to register on the suppliers database by 30 June 2020.	Invitation placed in local media.	All	1	1	0	0	0	1	1	1	G	Advertised in the media on 25/06/2020 and 30/06/2020.	None required.
TL30	Create temporary work opportunities through the alien vegetation clearing initiatives by 30 June 2020.	Number of work opportunities created per annum.	All	15	20	0	0	0	20	20	22	G2	22 Temporary work opportunities were created through two alien vegetation cleaning projects.	None required.
TL42	Report bi-annually the progress of planned deliverables in the RED & Tourism Strategy to the Community Portfolio Committee by June 2020.	Number of progress reports tabled per annum.	All	New	2	0	1	0	1	2	2	G	Progress reports were tabled on: 25/11/2019, Item 10.7 16/03/2020, Item 10.10	None required.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL43	Create temporary work opportunities through the municipality's EPWP programme by 30 June 2020 (Reg).	Number of temporary work opportunities created during the financial year.	All	743	194	0	0	0	194	194	138	R	Last project was suspended due to the lock down of the pandemic which started on 27/03/2020. Only R1121200 of the budgeted amount of R1243000 was spent.	One project was replaced with a Covid-19 project. Other Planned Projects will resume as lock down levels allow it.
TL44	Develop a Cape Overberg Brochure for marketing and table to Community Services Portfolio Committee by December 2019.	Cape Overberg Brochure developed and tabled.	All	New	1	0	1	0	0	1	1	G	Draft Cape Overberg Brochure developed and tabled on 25/11/2019, Item 10.8	None required.
TL45	Review District RED/Tourism Terms of Reference and tabled to the Community Services Portfolio Committee by December 2019.	Revised District RED/Tourism Terms of Reference tabled.	All	new	1	0	1	0	0	1	1	G	Terms of reference was reviewed and tabled on 25/11/2019, Item 10.6	None required.
TL46	Established a District Social Development Forum stakeholder structure by September 2019.	District Social Development Forum established.	All	New	1	1	0	0	0	1	1	G	District Social Development Forum established on 13/09/2019.	None required.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL47	Develop a District Social Development Initiatives Action Plan and table to the Community Services Portfolio Committee by December 2019.	Action Plan for social development initiatives across the region developed.	All	New	1	0	1	0	0	1	1	G	Action Plan was develop and tabled on 25/11/2019, Item 11.1	None required.
TL48	Report on progress in respect of social development initiatives across the region to the Community Services Portfolio Committee by June 2020.	Number of progress reports tabled per annum.	All	New	1	0	0	0	1	1	1	G	Report tabled on 22/06/2020, Item 11.2	None required.

Strategic Goal 3 (SG3)

To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL1	People from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan, by 30 June 2020 (Reg).	Number of people employed in the three highest levels of management per annum.	All	1	1	0	0	0	1	1	1	G	Senior Manager Corporate Services was appointed and resumed duty on 11/09/2019.	None required.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL9	Compile and submit Work Place Skills Plan to LGSeta by April 2020.	Workplace Skills Plan compiled and submitted to LGSeta.	All	1	1	0	0	0	1	1	0	R	The Plan was not submitted on the target date. However, plan was submitted on 27/05/2020. LGSeta extended the date of submission to 31/05/2020 due to the Pandemic.	Must adhere to the prescribed time-frame of the KPI
TL10	Coordinate health & safety evacuation drills at ODM workstations by 30 June 2020.	Number of drills coordinated per annum.	All	2	2	0	0	0	2	2	2	G	Evacuation drills were held on: 21/02/2020 30/06/2020	None required.
TL11	Percentage of Municipal budget actually spend on the implementation of the Workplace Skills Plan by 30 June 2020 (Reg).	% of budget spent on the WSP per annum (Actual spent on Training/Total Budget).	All	0.10%	0.07%	0.00%	0.00%	0.00%	0.07%	0.07%	0.02%	R	R45065.20/R237233479 = 0.02%. The under spending occurred due to the non allocation of study aid for employees. Training scheduled for the fourth quarter was also postponed due to the pandemic.	To revise the Study Aid policy to refine application and allocation processes.

Strategic Goal 4 (SG4)

To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL12	Develop a Paper reduction plan with initiatives and table to the Corporate Portfolio Committee by June 2020.	Paper reduction plan developed and tabled.	All	New	1	0	0	0	1	1	1	G	Tabled to Corporate Services Portfolio Committee on 23/06/2020, item 7.2	None required.
TL13	Measure financial viability in terms of the municipality's ability to meet it's service debt obligations by 30 June 2020 (Debt coverage) (Reg).	The number of times the municipality was able to meet it's Debt obligation ((Total operating revenue received - operating grants)/debt service payments)).	All	16.99	8	0	0	0	8	8	6.81	O	R220054279-R75051482-R106800564)=R38 202233/R5611160 =6.81 The results was impacted by the pandemic, e.g. less interest was received than anticipated and the loss of income at the resorts (due to Covid-19) also impacted on revenue.	Target to be revised in the next financial year to accommodate the pandemic's (Covid-19) impact.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL14	Measure financial viability in terms of the available cash to cover fixed operating expenditure by 30 June 2020 (Cost coverage) (Reg)	Number of months Cash were available to cover fixed operating expenditure ((All available cash at a particular time + investments)/monthly fixed operating expenditure)	All	2.17	2	0	0	0	2	2	2.18	G	R36646958/R16816410 = 2.18 The over performance occurred due to the Monthly operating expenditure were less than anticipated.	None required.
TL15	Measure financial viability in terms of percentage outstanding service debtors by 30 June 2020 (Service Debtors) (Reg)	% Outstanding service debtors per annum (Total outstanding service debtors/annual revenue received for services)	All	19.26%	10.00%	0.00%	0.00%	0.00%	10.00%	10.00%	19.60%	R	R5772574/(R11467850+R14574067+R3342000) =19.6% (Arrears more than 30 days) COVID-10 resulted the poor payment of municipal accounts during the lock-down period.	Target to be adjusted due to the misalignment of payments received in different financial year. Follow-ups to be executed on outstanding debtors.
TL16	Report on Percentage Capital budget actually spend on capital projects by 30 June 2020 (Reg).	% of capital budget actually spent on capital projects for the annum (Actual spent on capital projects/Total capital budget).	All	116%	95.00%	0.00%	0.00%	0.00%	95.00%	95.00%	53.00%	R	R3000556/R565200 x1 =53% Due to the pandemic (Covid-19) some capital projects and supply chain management processes were delayed.	Some of the projects were already committed. Project's to be rolled over to the 2020/2021 financial year.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL17	Compile and submit Annual Financial Statements to the Auditor-General by 31 August 2019.	Annual Financial Statements submitted to the Auditor-General.	All	1	1	1	0	0	0	1	1	G	Submitted 31 August 2019.	None required.
TL18	Report bi-annually to Council on the performance of service providers for quotations and tenders above R30000.	Number of reports submitted to Council per annum.	All	2	2	0	1	0	1	2	2	G	Reports were tabled to Council on: 06/12/2019, Item A33.1 25/05/2020, Item A58	None required.

Strategic Goal 5 (SG3)

To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through IGR Structures.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL2	Develop a Risk-based Audit Plan (RBAP) for 2020/21 financial year by June 2020 and submit to the Audit and Performance Audit Committee.	Annual RBAP developed and submitted.	All	1	1	0	0	0	1	1	1	G	Risk Based Audit Plan was approved by the Audit and Performance Audit Committee on 26/06/2020, Item O100.	None required.
TL3	Execute audit projects in terms of the Risk Based Audit Plan (RBAP).	Number of audits executed per annum.	All	17	14	4	3	3	4	14	16	G	16 Audit projects were executed. Adhoc requests and follow-ups on findings resulted in more internal audits done than planned.	None required.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL4	Facilitate awareness campaigns on the IDP by June 2020.	Number of IDP awareness campaigns facilitated per annum.	All	2	2	0	0	0	2	2	2	G	IDP Awareness' presented to: * Bredasdorp Municipality Sector Engagement on 2/12/2019 * District IDP Managers engagement on 30/06/2020 to discuss the IDP Planning Cycle and Process.	None required.
TL5	Publishing of bi-annual External Newsletters to Stakeholders.	Number of external newsletters published per annum.	All	2	2	0	1	0	1	2	2	G	2 External newsletters were published.	None required.
TL6	Prepare Top Layer SDBIP for approval by Mayor within 28 days after the adoption of 2020/2021 budget.	Top Layer SDBIP submitted to Mayor for approval.	All	1	1	0	0	0	1	1	1	G	Budget was approved on 25/05/2020. Mayor approved the 2020/2021 Top Layer SDBIP on 22/06/2020.	None required.
TL7	Review annually the Top Layer SDBIP to inform Council should a revised Top Layer SDBIP be necessary and table report (Sec. 72) to Council.	Section 72 report tabled to Council.	All	1	1	0	0	1	0	1	1	G	The SDBIP was reviewed and the Section 72 Report with recommendations was tabled to Council on 31/01/2020, Item A38.	None required.

Ref	KPI	Description of Unit of Measurement	Ward	Past Year Performance	Annual Target	Quarterly Target				Overall Performance for Quarter ending September 2019 to Quarter ending June 2020				
						Q1	Q2	Q3	Q4	Target	Actual	R	Comments	Corrective measures
TL8	Compilation and submission of Annual Performance Report to the Auditor-General by August 2019.	Report submitted to the Auditor-General.	All	1	1	1	0	0	0	1	1	G	The 2018/2019 performance report was submitted on 31/08/2019 to the Auditor-General.	None required.

COMPONENT K: PERFORMANCE ASSESSMENT OF GOODS AND SERVICE PROVIDERS

Performance assessments were done throughout the 2018/2019 financial year on Providers who tendered or quoted on various tenders or quotations or provided a service or product through other SCM processes (all expenditure above R 30 000).

Table 55: Service providers assessed during the year

Name of Service Provider	Goods & Services Supply
Nedbank	Banking Services
TWK Communication CC	VOIP Telephone System
Swift Silliker (Pty) Ltd	Food and Water Sample Analyses for the period ending June 2022
Altimax	Accounting Services
Siyanda Business Solutions	Accounting Services
Bytes Technology	SLA – SAMRAS System
Ignite Advisory Services	SLA – Performance Management & Compliance System
Liquidwize WCP Joint Venture (Pty) Ltd	Annual Tender – Fuel
Sleba Enterprises (Pty) Ltd	Annual Tender – Fuel
Piston Power Chemicals CC	Annual Tender – Oils & Grease
Startune (Pty) Ltd	Annual Tender – Grader Blades
AWV Project Management	Annual Tender – Grader Blades
Diesel Electric Cape RF (Pty) Ltd	Annual Tender – Filters for Implements / Vehicles
Kleen it Factory Shop	Annual Tender – Cleaning Agents
Soetmuis Agtien CC	Annual Tender – Black Refuse Bags
Berleen Enterprises CC t/a Autacs	Annual Tender – Road Signs with Road Signs Bolts & Nuts
TVM Konstruksie	Annual Tender – Hire of Road Implements
Uitkyk Diggers CC	Annual Tender – Hire of Road Implements
F.G Jacobs Transport Cc	Annual Tender – Hire of Road Implements
Ithuba Industries	Annual Tender – Concrete Pipes, Concrete Channels, Box Culverts & Manholes
Rocla (Pty) Ltd	Annual Tender – Concrete Pipes, Concrete Channels, Box Culverts & Manholes
Afrimat Aggregates (Operations) (Pty) Ltd	Annual Tender – Road surfacing material
TVM Konstruksie	Annual Tender – Road surfacing material
Uitkyk Diggers CC	Annual Tender – Road surfacing material
F.G Jacobs Transport CC	Annual Tender – Road surfacing material
Colas South Africa (Pty) Ltd	Annual Tender – Supply of bitumen, bitumen emulsion and primer.
Spraypave (Pty) Ltd	Annual Tender – Supply of bitumen, bitumen emulsion and primer.
Tosas (Pty) Ltd	Annual Tender – Supply of bitumen, bitumen emulsion and primer.
AJ Bandediens	Annual Tender – Tyres: new, retreads, tubes & repairs
Fantastic Investments 456 CC t/a Hi Q Bredasdorp	Annual Tender – Tyres: new, retreads, tubes & repairs
Caledon Supaquick	Annual Tender – Tyres: new, retreads, tubes & repairs
Langeberg Bande (Edms) Bpk t/a Supa Quick Swellendam	Annual Tender – Tyres: new, retreads, tubes & repairs
Soetmuis Vier Bk t/a Kwik 'N Go	Annual Tender – Tyres: new, retreads, tubes & repairs
Brand Universe	Annual Tender – Supply of Cement

Name of Service Provider	Goods & Services Supply
Ganedhi Trading Enterprises	Annual Tender – Supply of Cement
Startune	Annual Tender – Roads sign - and fencing poles
PNB Civil and Safety (Pty) Ltd	Annual Tender – Roads sign - and fencing poles
Sukuma Distributors (Pty) Ltd	Annual Tender – Herbicide
Kaap Agri	Annual Tender – Mechanical Services
MC Agri	Annual Tender – Mechanical Services
Metsy Motors	Annual Tender – Mechanical Services
Brima Logistics (Pty) Ltd	Annual Tender – Courier Services
Gansbaai Aircon & Refrigeration	Annual Tender – Servicing and Installation of Air-con
Arina Wilson	Annual Tender – Translations & Editing and Advertisements
Lithotech PE George (Bidvest Paperplus (Pty) Ltd)	Annual Tender – Forms
Soetmuis Agtien CC	Annual Tender – Printing & Eycline Paper
Bidvest Office T/A Bidvest Waltons	Annual Tender – Printing & Eycline Paper
Brand Universe	Annual Tender – Printer ribbons
Hermanus Fire Extinguishers	Annual Tender – Supply, servicing and refilling of fire extinguishers and hose reels
V du Toit	Services –Ferry at Malgas for a three (3) year period
Nashua Breede Vallei	Rental of Printers
The Grail Centre Trust	Office Rental Space for the period ending November 2018
Johannes De Villiers De Kock t/a Sunjomar Accountants	Lease of Office Space in Hermanus for a Three (3) Year Period
Vodacom	Supply & Delivery of Mobile Communication Services to the State for the period 15 September 2016 to 31 August 2020
Working on Fire (Pty) Ltd	Aerial Firefighting Services for the Overberg District Municipality
Tourvest Travel Services	Travel Agency
Eveline Makatong	Cleaning Services
SECMA Security	Guarding and Security Services at the Overberg District Municipality's Resorts
Nico Swart Consultancy (Pty) Ltd	Short – Term Insurance
JPCE (Pty) Ltd	Karwyderskraal Landfill
Spinning Your Web (Pty) Ltd	Fire Station Web Based Application
Water Solutions Southern Africa (Pty) Ltd	Pumps
RTC Control Systems (Pty) Ltd	Water Treatment: Chemicals – Eoxide Lq 85%
Savannah Helicopters (Pty) Ltd	Ad-Hoc Aerial Fire-Fighting Service
AA Solwandle Attorneys	Appointment of a Legal Panel
Barisford Brent Petersen Law Inc.	Appointment of a Legal Panel
Besters Attorneys	Appointment of a Legal Panel
Bradley Conradie Halton Cheadle	Appointment of a Legal Panel
Cheadle Thompson & Haysom Inc. Attorneys	Appointment of a Legal Panel
CSM Attorneys	Appointment of a Legal Panel
Enderstein Van Der Merwe Inc.	Appointment of a Legal Panel
John Macrobert Attorneys	Appointment of a Legal Panel
Kapditwala Incorporated t/a Dentons South Africa	Appointment of a Legal Panel
Kruger & Bignaut Attorneys	Appointment of a Legal Panel

Name of Service Provider	Goods & Services Supply
Luttig Badenhorst Fourie Attorneys	Appointment of a Legal Panel
Webber Wentzel	Appointment of a Legal Panel
High Power Equipment Africa Pty Ltd	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
ITR South Africa	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Kemach Cape (Pty) Ltd	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Cape Motor Specialists	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Compaction & Industrial Equipment	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Dosco Hydraulic Engineering	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Engineering Silicone & Bearing Supplies	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Equipment Spare Parts (Africa) (Pty) Ltd	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
LA Cranes & Hydraulics CC	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
Motus Group t/a Hino Parow	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020
SPME Industries	Supply and Deliver Spares, and Service, Repair and Overhaul of Motor Vehicles, Earthmoving and Construction Equipment by Original Equipment Manufacturers (OEM): Framework Agreement 2017 – 2020

Name of Service Provider	Goods & Services Supply
AAD Truck & Bus (Pty) Ltd	Appointment of a panel of accredited service providers for the supply and delivery of spare parts and service, refurbishing and/or replacement of components of motor vehicles and fire fighting vehicles for the period ending 30 June 2022.
Worldwide Spares	Appointment of a panel of accredited service providers for the supply and delivery of spare parts and service, refurbishing and/or replacement of components of motor vehicles and fire fighting vehicles for the period ending 30 June 2022.
Draaiberg General Services	Appointment of a panel of accredited service providers for the supply and delivery of spare parts and service, refurbishing and/or replacement of components of motor vehicles and fire fighting vehicles for the period ending 30 June 2022.
Rodney Jacobs Holdings (Pty) Ltd t/a Auto Electro Dynamics	Appointment of a panel of accredited service providers for the supply and delivery of spare parts and service, refurbishing and/or replacement of components of motor vehicles and fire fighting vehicles for the period ending 30 June 2022.
NCC Environmental Services (Pty) Ltd	Provision of Ground Firefighting Resources
Petra Kranenburg	Provision of Groundcrews
Lovegreen	Electronic Communications
Secma International Security	Security Services
Metro City Protection Services	Guarding and Security Services at the Overberg District Municipality's Bredasdorp and Caledon premises for the period ending 30 June 2021
Tourvest Travel Services	Provision of travel agency services for a period of three years
Enviroserv Waste Management	Operation of Cell 4 at Karwyderskraal Landfill
BLT Boiler Services CC	Supply, service and repairs to boilers, burners, hot water tanks, heat exchangers, circulation pumps and all other parts pertaining to hot water system
Pro Heat & Energy Electrical CC	Supply, service and repairs to boilers, burners, hot water tanks, heat exchangers, circulation pumps and all other parts pertaining to hot water system
RTC Control Systems (Pty) Ltd	Upgrading of Ablution Facilities at Die Dam Resort
BLT Electrical, Mechanical & Consulting Services	Hiring, Servicing, Repairs and Supplies
Simons Electric	Hiring, Servicing, Repairs and Supplies
Juno Corp (Pty) Ltd	Hiring, Servicing, Repairs and Supplies
Genadendal Jackies Bazaar CC	Hiring, Servicing, Repairs and Supplies
Mkenke Transport & Projects (Pty) Ltd	Supply and Delivery of a canopy for truck
Controlab South Africa (Pty) Ltd	Rendering of Laboratory Test Services for Civil Work for the period ending June 2022
Roadlab Laboratories Pty Ltd	Rendering of Laboratory Test Services for Civil Work for the period ending June 2022
SGS Matrocast t/a Matrocast Laboratories	Rendering of Laboratory Test Services for Civil Work for the period ending June 2022
Afrimat Aggregates (Operations) (Pty) Ltd	Supply and Delivery of Crushed Wearing Course Material: Gravel and Clay (Binder) for the period ending 30 June 2021
Startune (Pty) Ltd	Supply and Delivery of Protective Clothing and Footwear for the period ending 30 June 2022

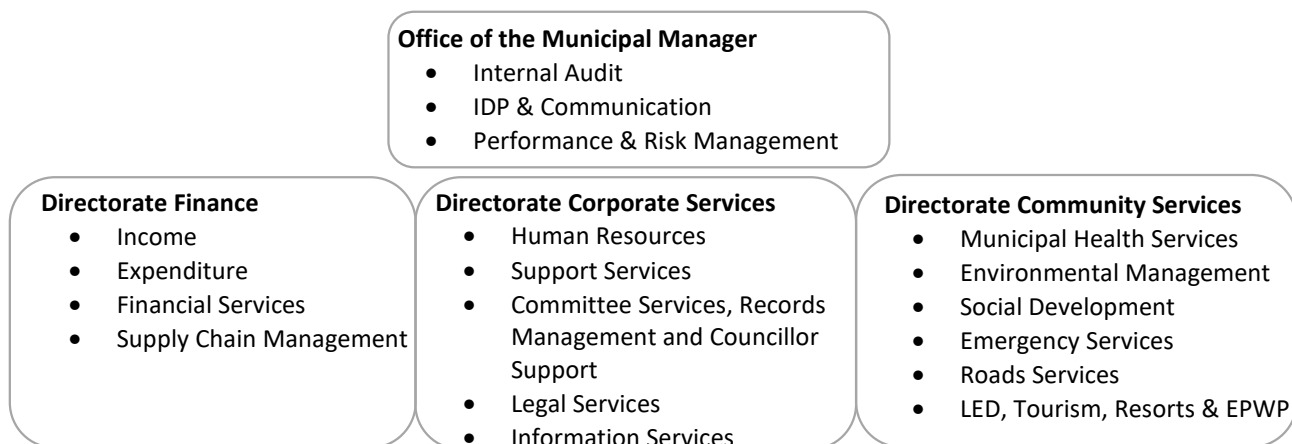
Name of Service Provider	Goods & Services Supply
Vida E Sport (Pty) Ltd	Supply and Delivery of Protective Clothing and Footwear for the period ending 30 June 2022
Dekatshe Consulting CC	Computer and Network Equipment
Innovo Networks	Computer and Network Equipment
WLV Consulting Services (Pty) Ltd	Computer and Network Equipment
Mantella Trading 634 (Pty) Ltd t/a Mantella IT Support Services	Computer and Network Equipment
First Technology Western Cape	Office 365
Altron Nexus Pty Limited – Altron Nexus Solutions	Supply, Installation and Commissioning of a wide Area ETSI DMR Two-Way Radio Network.

Results: All performance ratings done on service providers were positive and services and goods rendered to the Municipality were satisfactory and at an acceptable standard.

CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

The Municipality's organisational development function is as follows:



Employees are appointed through a recruitment and selection process. Qualification and experience are matched with the job requirements to ensure that the employees have the necessary skills and knowledge to fulfil their duties.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS; TURNOVER AND VACANCIES

Table 56: Employees Total

Description	Employees				
	2018/2019	2019/2020			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
No.	No.	No.	No.	%	
Roads	181	220	196	24	11%
Planning (IDP/Communications)	2	3	2	1	33%
Environmental Management	4	4	4	0	0%
Municipal Health Services	22	37	20	17	46%
Emergency, Fire and Disaster Services	46	102	54	48	47%
Social Development	0	1	0	1	100%
LED, Tourism, Resorts and EPWP	24	39	20	19	49%
Office of Municipal Manager/Executives	3	6	4	2	33%
Internal Audit	2	3	2	1	33%
Finance	17	25	16	9	36%
Human Resources	3	5	4	1	20%
Legal Services	0	1	0	1	100%
Support Services, Committee Services, Records Management & Council Support	9	12	9	3	25%
ICT Services	2	3	2	1	33%
Performance Management & Risk Management	1	4	1	3	75%
No position / Org structure not clear	3				
Totals	319	465	334	131	28%

Calculation: Employees and Approved posts number at 30 June 2020

Occupational levels

The total number of **employees (including employees with disabilities)** in each of the following **occupational levels**.

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Table 57: Occupational Levels

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management (Level 23-26)	0	1	0	2	0	0	0	0	0	0	3
Senior Management (Level 16-22)	0	0	0	4	0	0	0	1	0	0	5
Professionally qualified and experienced specialists and mid-management (Level 14-15)	0	2	0	7	1	3	0	1	0	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Level 9-13)	5	17	0	13	2	9	0	7	0	0	53
Semi-skilled and discretionary decision making (Level 4-8)	49	66	0	13	7	21	0	3	0	0	159
Unskilled and defined decision making (Level 1-3)	21	31	0	5	19	22	0	2	0	0	100
TOTAL PERMANENT	75	117	0	44	29	55	0	14	0	0	334
*Temporary employees	10	41	1	12	8	26	0	1	0	0	99
GRAND TOTAL	85	158	1	56	37	81	0	15	0	0	433

**The number of EPWP employees at 30 June 2020 forms part of the temporary employees.*

Table 58: Turn-over Rate

Details	Turn-over Rate			
	Total no appointments at the end of each Financial Year	Total Appointments from beginning of Financial Year No.	Terminations during the Financial Year No.	*Turn-over Rate
2017/2018	311	43	12	3.86%
2018/2019	319	47	23	7.2%
2019/2020	334	38	23	6.89%

**Calculation: Terminations/by total number of permanent employees at 30 June 2020*

COMMENT ON VACANCIES AND TURNOVER

The turn-over rate experienced was the result of retirements, ill-health, death and resignations.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

The Local Labour Forum serves as a tool to ensure working relations between the workforce, management and council. The workforce is represented by Trade Union members who serve on various committees. The workforce is also governed by collective agreements.

4.2 POLICIES**Table 59: Human Resources Policies and Plans**

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted/reviewed by council or comment on failure to adopt
1	Bursary and Study Aid Policy	100%	100%	5 December 2017
2	Cellular Tablet and Data Policy	100%	100%	27 July 2015
3	Dress Code Policy	100%	100%	27 July 2015
4	Employee Assistants Programme	100%	100%	27 July 2015
5	Financial Support for Driving Lesson	100%	100%	5 December 2017
6	HIV/Aids Policy	100%	100%	18 June 2012
7	Occupational Health & Safety	100%	100%	27 July 2015
8	Overtime Policy	100%	100%	18 July 2018
9	Recruitment and Selection Policy	100%	100%	6 December 2019
10	Sexual Harassment Policy	100%	100%	6 December 2019
11	Skill Retention Policy	100%	100%	27 July 2015
12	Smoking Policy	100%	100%	27 July 2015
13	Substance Abuse Policy	100%	100%	6 December 2019
14	Task Job Evaluation Policy	100%	100%	3 December 2012
15	Travel & Subsistence Policy	100%	100%	18 June 2012
16	Private work (Employees)	100%	100%	5 December 2017
17	Performance Management Framework Policy	100%	100%	5 December 2017
18	Time-off to attend funerals	100%	100%	5 December 2017
19	Remuneration Policy	100%	100%	28 May 2018
20	Acting Allowance Policy	100%	100%	8 September 2014
21	Extra Services Allowance Policy	100%	100%	8 September 2014
21	COVID-19 Policy		New	Draft

COMMENT ON WORKFORCE POLICY DEVELOPMENT

The Department Human Resources in the process to review all Human Resources related policy.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 60: Number and Cost of Injuries on Duty

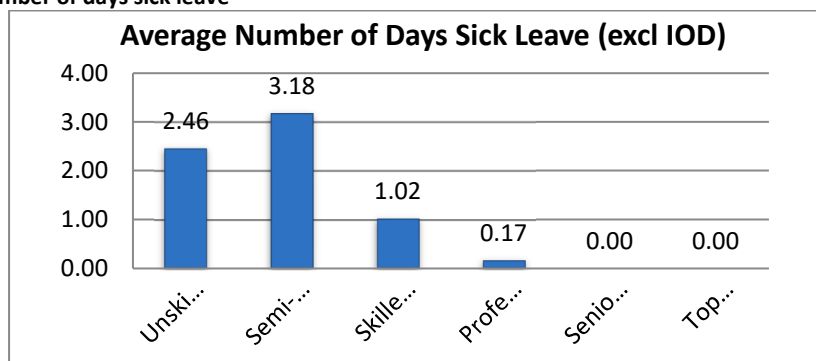
Number and Cost of Injuries on Duty				
Type of injury	Injury Leave Taken	Employees using injury leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	Days	R'000
Required basic medical attention only	238	24	10.08	R142
Temporary total disablement				
Permanent disablement				
Fatal				
Total	238	24	10.08	R142

Table 61: Number of days and Cost of Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R'000
Unskilled and Defined Decision making (Levels 1-3)	821	16.07%	96	100	2.46	R418
Semi-Skilled and Discretionary Decision making (Levels 4-8)	1060.5	15.32%	125	159	3.18	R726
Skilled Technical and Academically Qualified/Jnr Management/Supervisors/Foreman/Superintendent (Levels 9-13)	340.5	18.65%	46	53	1.02	R462
Professionally Qualified and Experience Specialists / Mid Management (Levels 14-15)	56	32.14%	12	14	0.17	R125
Senior Management (Level 16-22)	0	0.00%	0	5	0.00	R0
Top Management/ Executive (Level 23-26)	0	0.00%	0	3	0.00	R0
Total	2278	13.70%	279	334	6.82	R1 731

* - Number of employees in post at year-end

Figure 14: Average number of days sick leave



COMMENT ON INJURY AND SICK LEAVE

Sick leave taken by employees has service delivery and cost implications. By monitoring the record for sick leave and leave for injuries on duty, the employer can detect patterns or trends. The sick leave days de-created from the previous year (2019 – 2901 days). Sick leave related to COVID-19 are treated as special leave. Corrective actions were taken when necessary.

Table 62: Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Senior Fire Fighter	Misconduct	01/02/2019	Dismissal	09/09/2019
Fire Fighter	Misconduct	01/02/2019	Dismissal	09/09/2019

Table 63: Disciplinary Action Taken on Cases of Financial Misconduct

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date Finalised
None			

4.4 PERFORMANCE REWARDS**COMMENT ON PERFORMANCE REWARDS**

There is no performance incentive system in place for the rest of employees and therefore, no rewards were made to the employees. The Performance Agreements of Municipal Manager and Directors specify whether a performance bonus is payable. Performance bonuses were paid to the Directors on their 2018/2019 performance. The Municipal Manager voluntarily requested that no performance bonus be paid to him as part of cost containment measures he has put in place for the municipality.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

The MSA 2000 S68 (1) requires the Municipality to develop its human resource capacity to a level which enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of the Municipality must also comply with the Skills Development Act, 1998 (Act 81 of 1998), and the Skills Development Levies Act, 1999 (Act 20 of 1999).

4.5 SKILLS DEVELOPMENT AND TRAINING

The table below indicates the number of employees, on the first four levels, that received training in the year under review:

Table 64: Skills Matrix

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2020	Number of skilled employees required and actual as at 30 June 2020											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End 2019	Actual: End of 2020	Target	Actual: End of 2019	Actual: End of 2020	Target	Actual: End of 2019	Actual: End of 2020	Target	Actual: End of 2019	Actual: End of 2020
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	0	3	1	1	0	0	0	3	4	1
Councillors, senior officials and managers	Female	10	0	0	0	11	1	1	0	0	0	11	1	1
	Male	16	0	0	0	26	0	0	0	1	1	26	1	1
Technicians and associate professionals*	Female	18	0	0	0	1	0	0	0	1	0	1	1	0
	Male	35	0	0	0	1	0	0	0	0	0	1	0	0
Professionals	Female	5	0	0	0	14	0	0	0	8	7	14	8	7
	Male	9	0	0	0	13	0	0	0	10	9	13	10	9
Sub total	Female	33	0	0	0	26	1	1	0	9	7	26	10	8
	Male	63	0	0	0	43	1	1	0	11	10	43	15	11
Total		96	0	0	0	69	2	2	0	20	17	69	25	19

Table 65: Financial Competency Development: Progress Report

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) (No entities)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	0	1
Chief financial officer	1	0	1	0	1	0
Senior managers	13	0	13	12	1	12
Any other financial officials	5	0	5	5	0	5
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	21	0	21	19	2	19

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

In terms of Section 83 (1) and 119 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice R493 dated 15 June 2007.

All relevant officials completed the Municipal Minimum Competency Levels as required in terms of the Regulations on Minimum Competency Levels, 2007, except the CFO who must still complete 3 Unit Standards and Senior Manager: Corporate Services who must complete all Unit Standards.

A total amount of R100 000 was originally allocated for training, of which R45065.20 (excluding VAT) was spent in the financial year. Some training that was budgeted for was provided by Provincial Departments at no cost. Training scheduled for the April till June was postponed due to the COVID-19 pandemic.

The ODM reported on its Skills Development Plan to LGSETA on 27 May 2020, and the 2020/2021 plan was also submitted to the LGSETA.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The workforce expenditure is controlled by means of an approved staff establishment and a salary budget. Internal factors that influenced remuneration are organisational structure, job evaluations system and policies. Salaries are controlled by Bargaining Council Collective Agreements, legislation and a ministerial determination on the payment of

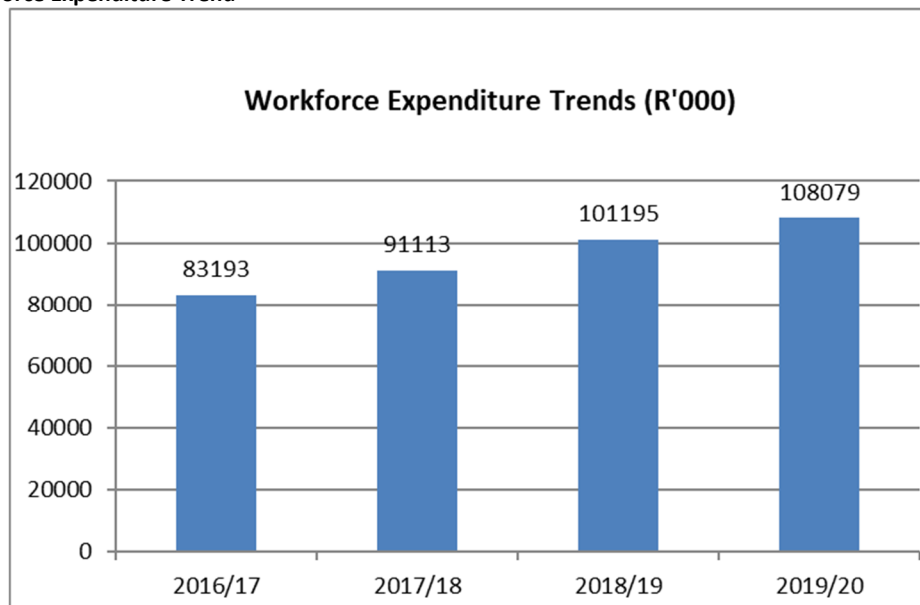
Expanded Public Works Programme (EPWP) participants. The ODM also has a grant funding directive in place for EPWP. The Human Resource policies do not allow variable remuneration incentive schemes.

In the general course of business, Council does not need to vote on the remuneration policy, the implementation report and the measures taken in response thereto. Consultants were not used for matters relating to remuneration. Detailed disclosure of the remuneration of Council and executive management is included in the annual financial statements.

Council approved a remuneration policy and relies on legislation and Bargaining Council Collective Agreements. Salaries of the Municipal Manager, CFO and Directors are regulated by legislation.

4.6 EMPLOYEE EXPENDITURE

Figure 15: Workforce Expenditure Trend



COMMENT ON WORKFORCE EXPENDITURE

The workforce expenditure for the year under review was 49.49% of the total operating revenue, which is above the norm of 25 – 40%. Reason for the high percentage is that most of the function is labour intensive, e.g. the road function, fire and municipal health.

Table 66: Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation			
Number of employees	Job evaluation level	Remuneration level	Reason for deviation
1	T3	T4	TASK
1	T6	T7	TASK
1	T6	T8	TASK
1	T6	T9	TASK
1	T6	T7	TASK
1	T7	T9	TASK
3	T7	T8	TASK
1	T8	T9	TASK
1	T8	T10	TASK
2	T9	T11	TASK
2	T10	T11	TASK

Table 67: Employees appointed to posts not approved

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
None				

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

The TASK process will be ongoing as the only approved evaluation system.

DISCLOSURES OF FINANCIAL INTERESTS

Financial disclosures were made by the Municipal Manager, CFO, Director Community Services and Councillors. See **Appendix H.**

CHAPTER 5 - FINANCIAL PERFORMANCE

INTRODUCTION

During the period under review the Municipality managed to maintain a stable environment. The cash position enables the Municipality to deliver on operational commitments. The Municipality closed the year with a positive working capital surplus, however not all provisions are cash-backed. The cash balance decreased by 4.25%, mainly due to the refunding to Provincial Department of Transport and Public Works quarantines and surpluses of previous years.

The Municipality is mainly dependent on government grants, any fluctuations in the Equitable Share, allocations per the Division of Revenue Act, will impact directly on service delivery requirements from a perspective that nearly 60% of the revenue source is funded from grants and transfer (excluding roads maintenance services) funding.

The total assets of the Municipality amount to R152.8 million with the current assets amounting to R55.1 million and the non-current assets amounting to R97.7 million respectively. The current assets mainly comprised of short-term investments and cash and cash equivalents and the non-current assets comprising mainly of property, plant and equipment.

The total liabilities of the Municipality amount to R108.5 million with the current position amounting to R37 million and the long-term liabilities amount R71.4 million. Assets, both current and non-current, exceed liabilities indicating that the Municipality will be able to cover all liabilities.

This chapter comprises four components:

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Cash Flow Management and Investment

Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise. The Financial statements have been prepared in accordance with the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the MFMA.

The main reason for the financial position of the Municipality is that no significant own revenue source(s) has been developed or approved for District Municipalities. The Municipality is almost solely dependent on government grants. The Municipality is still experiencing challenges in cash-back provisions and depreciation. This will continue as the Equitable Share allocations for the MTREF is still not sufficient to cover mentioned areas.

Statements of Revenue Collection Performance by vote and by source are included in **Appendix I**.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Table 68: Financial Summary

Financial Summary						
Description	R' 000					
	2018/19	Current Year: 2019/20		2019/20 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Service charges	2 102	10 723	10 723	11 468	6.95%	6.95%
Investment revenue	2 159	2 500	2 500	1 896	-24.15%	-24.15%
Transfers recognised - operational	73 375	169 423	80 431	75 051	-55.70%	-6.69%
Other own revenue	133 968	36 240	137 190	132 374	265.27%	-3.51%
Total Revenue (excluding capital transfers and contributions)	211 604	218 886	230 844	220 789	0.87%	-4.36%
Employee costs	101 195	103 201	112 094	109 266	5.88%	-2.52%
Remuneration of councillors	6 264	6 607	6 618	6 197	-6.19%	-6.35%
Debt impairment	2 067	–	–	145	0.00%	0.00%
Depreciation & asset impairment	3 558	3 576	3 576	3 568	-0.22%	-0.22%
Finance charges	7 009	9 165	11 016	8 215	-10.37%	-25.43%
Contracted Services	15 413	20 994	23 053	17 356	-17.32%	-24.71%
Transfers and grants	360	380	484	–	0.00%	-100.00%
Other expenditure and materials	73 544	78 490	80 393	70 188	-10.58%	-12.69%
Loss on disposal of PPE	3 056	–	–	479	0.00%	0.00%
Total Expenditure	212 466	222 412	237 233	215 414	-3.15%	-9.20%
Surplus/(Deficit)	(862)	(3 527)	(6 389)	5 375	-252.42%	-184.13%
Transfers recognised - capital	1 483	1 100	2 650	691	-37.17%	-73.92%
Contributions recognised - capital & contributed assets	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	621	(2 427)	(3 739)	6 067	-350.00%	-262.23%
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
Surplus/(Deficit) for the year	621	(2 427)	(3 739)	6 067	-350.00%	-262.23%
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	1 483	1 100	2 650	691	0.00%	0.00%
Public contributions & donations	–	–	–	–	–	–
Borrowing	22 316	6 128	–	–	0.00%	0.00%
Internally generated funds	13 183	4 125	3 002	2 309	-44.02%	-23.07%
Total sources of capital funds	36 982	11 353	5 652	3 001	-73.57%	-46.91%
Financial position						
Total current assets	49 371	39 249	38 727	55 091	40.36%	42.26%
Total non current assets	102 209	118 736	119 292	97 728	-17.69%	-18.08%
Total current liabilities	32 195	29 519	29 617	37 067	25.57%	25.16%
Total non current liabilities	81 133	116 540	109 625	71 434	-38.70%	-34.84%
Community wealth/Equity	38 251	11 926	18 777	44 318	271.61%	136.02%
Cash flows						
Net cash from (used) operating	(735)	4 750	339	4 072	-14.29%	1102.59%
Net cash from (used) investing	(23 509)	(6 253)	(552)	(3 001)	-52.01%	443.58%
Net cash from (used) financing	25 976	(2 872)	(2 872)	(2 872)	0.00%	0.00%
Cash/cash equivalents at the year end	38 448	35 153	35 362	36 647	4.25%	3.63%
Cash backing/surplus reconciliation						
Cash and investments available	38 448	35 153	35 362	36 647	4.25%	3.63%
Application of cash and investments	15 963	10 794	6 898	19 029	76.30%	175.88%
Balance - surplus (shortfall)	22 485	24 359	28 465	17 618	-27.67%	-38.11%
Asset management						
Asset register summary (WDV)	80 619	83 414	90 859	78 740	-5.60%	-13.34%
Depreciation & asset impairment	3 558	3 576	3 576	3 568	-0.22%	-0.22%
Renewal of Existing Assets	34 273	6 783	3 435	1 131	-83.33%	-67.07%
Repairs and Maintenance	5 960	96 626	13 018	8 550	-91.15%	-34.32%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 69: Financial Performance of Operational Services

Financial Performance of Operational Services						
						R '000
Description	2018/19	2019/20		2019/20 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Waste Management	2 405	10 239	10 956	8 495	-20.53%	-28.97%
Component A: sub-total	2 405	10 239	10 956	8 495	-20.53%	-28.97%
Roads	97 961	91 821	100 475	97 873	-2.66%	-2.66%
Component B: sub-total	97 961	91 821	100 475	97 873	6.18%	-2.66%
Planning	1 223	1 312	1 326	1 253	-4.65%	-5.81%
Component C: sub-total	1 223	1 312	1 326	1 253	-4.65%	-5.81%
Human Development	-	-	-	-	-	-
Component D: sub-total	-	-	-	-	-	-
Environmental Mangement	2 348	2 790	2 845	2 292	-21.72%	-24.13%
Component E: sub-total	2 348	2 790	2 845	2 292	-21.72%	-24.13%
Health	13 840	14 962	16 147	14 245	-5.03%	-13.35%
Component F: sub-total	13 840	14 962	16 147	14 245	-5.03%	-13.35%
Fire Services and Disaster Management	28 244	30 876	29 696	29 252	-5.55%	-1.52%
Component G: sub-total	28 244	30 876	29 696	29 252	-5.55%	-1.52%
Sport and Recreation	18 238	18 821	19 938	16 829	-11.84%	-18.48%
Component H: sub-total	18 238	18 821	19 938	16 829	-11.84%	-18.48%
Executive & Council	10 600	11 191	11 604	10 401	-7.60%	-11.56%
Internal Audit	1 228	1 366	1 673	1 325	-3.14%	-26.28%
Financial Services	24 320	23 004	24 494	19 215	-19.72%	-27.47%
Human Resource Services	2 010	2 547	3 572	2 216	-14.94%	-61.23%
Support Services	6 864	10 322	10 777	8 800	-17.30%	-22.47%
Performance Management	-	-	-	-	-	-
ICT Services	3 184	3 161	3 730	3 218	1.79%	-15.89%
Component G: sub-total	48 206	51 591	55 849	45 175	-14.20%	-23.63%
Total Expenditure	212 466	222 412	237 233	215 414	-3.25%	-10.13%

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.

5.2 GRANTS

Table 70: Grant Performance

Grant Performance						
						R'000
Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Transfers and Grants						
National Government:	71 923	76 826	77 005	74 076	-3.58%	-3.80%
Local Government Equitable Share	67 902	71 776	71 776	71 776	0.00%	0.00%
Finance Management	1 000	1 000	1 000	1 000	0.00%	0.00%
EPWP Incentive	1 125	1 243	1 243	1 121	-9.80%	-9.80%
Municipal Disaster Relief Grant (National)	-	-	179	179	0.00%	0.00%
Rural Roads Asset Management Grant	1 896	2 807	2 807	-	-100.00%	-100.00%
Provincial Government:	1 386	1 875	6 076	1 666	-11.14%	-72.57%
Seta	133	100	160	52	-48.18%	-67.61%
Health Subsidy	162	15	204	159	936.39%	-21.89%
Financial Management Support Grant	451	280	1 159	189	-32.65%	-83.73%
Fire Safety Plan	-	1 100	2 035	457	-58.49%	-77.56%
Fire Safety Capacity Building	-	-	1 700	719	0.00%	-57.73%
CDW Operational Support Grant	3	-	112	-	-100.00%	-100.00%
Local Government Graduate Internship Grant	91	-	106	13	0.00%	-87.37%
Municipal Disaster Relief Grant (Provincial)	-	-	100	78	0.00%	-21.69%
Human Capacity Building Grant	546	380	500	-	-100.00%	-100.00%
Total Operating Transfers and Grants	73 310	78 701	83 081	75 743	-3.76%	-8.83%

COMMENT ON OPERATING TRANSFERS AND GRANTS

The Municipality received grants from the National and Provincial Government during the 2019/2020 financial year.

The following unspent grants for the 2018/19 financial year, for which no roll over applications had been submitted or for which no approval was received, were refunded to the National Revenue Fund during the 2019/2020 financial year:

Rural Roads Asset Management Grant (National)	R1 115 380
CDW Operational Support Grant (Provincial)	<u>R 58 931</u>
TOTAL	<u>R1 174 311</u>

Approval had been received from the Provisional Government to roll over the following unspent grants from the 2018/19 financial year, which had been included in the Adjustment Budget:

Financial Management Support Grant	R 229 110
Financial Management Capacity Building Grant	R 120 000
LG Graduate Internship Grant	R 26 101
Safety implementation plan Grant	R 934 995
Municipal Service Delivery and Capacity Building Grant	<u>R 1 700 000</u>
TOTAL	<u>R 3 010 206</u>

The following additional grant allocations had been received from the National and Provincial Government which had been included in the Adjustment Budget:

WC Financial Management Support Grant (Provincial)	R 650 000
LG Internship Grant (Provincial)	R 80 000
CDW Operational Support Grant (Provincial)	R 112 000
Municipal Disaster Relief Grant (COVID-19) (National)	R 179 000
Human Relief Grant (COVID-19-Provincial)	<u>R 100 000</u>
TOTAL	<u>R 1 121 000</u>

If the grant allocations to the Municipality do not increase significantly, or alternatively if an own revenue base is not broadened, this Municipality will struggle to meet its commitments in the future.

Appendix J indicates conditional grants received.

Table 71: Grants Received from Sources other than Division of Revenue Act

Grants Received From Sources Other Than Division of Revenue Act (DoRA)					
Details of Donor	Actual Grant 2018/19	Actual Grant 2019/20	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals					
SETA	202 345	203 651	On-going	N/A	Training as per WSP
Human Capacity Building Grant	360 000	380 000	Once-off	N/A	Provincial allocation for financial management support
Local Government Graduate Internship Grant	72 000	80 000	Once-off	N/A	Provincial allocation for financial management support
mSCOA Support Grant	280 000	280 000	Once-off	N/A	Provincial allocation for financial management support
Anti-Fraud	400 000	-	Once-off	N/A	Provincial allocation for financial management support
Municipal Service Delivery and Capacity Building Grant - Fire	1 700 000	-	Once-off	N/A	Provincial allocation for capacity building
Fire Service Capacity Building Grant	1 483 000	-	Once-off	N/A	Fire equipment and training centre
Fire Safety Plan	1 000 000	1 100 000	Once-off	N/A	Communication equipment
Municipal Finance Improvement Program - Resorts	-	650 000	Once-off	N/A	Provincial allocation for capacity building
CDW Operational Support	-	112 000	Once-off	N/A	Provincial allocation for community development workers
LG Support COVID	-	100 000	Once-off	N/A	Provincial allocation

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

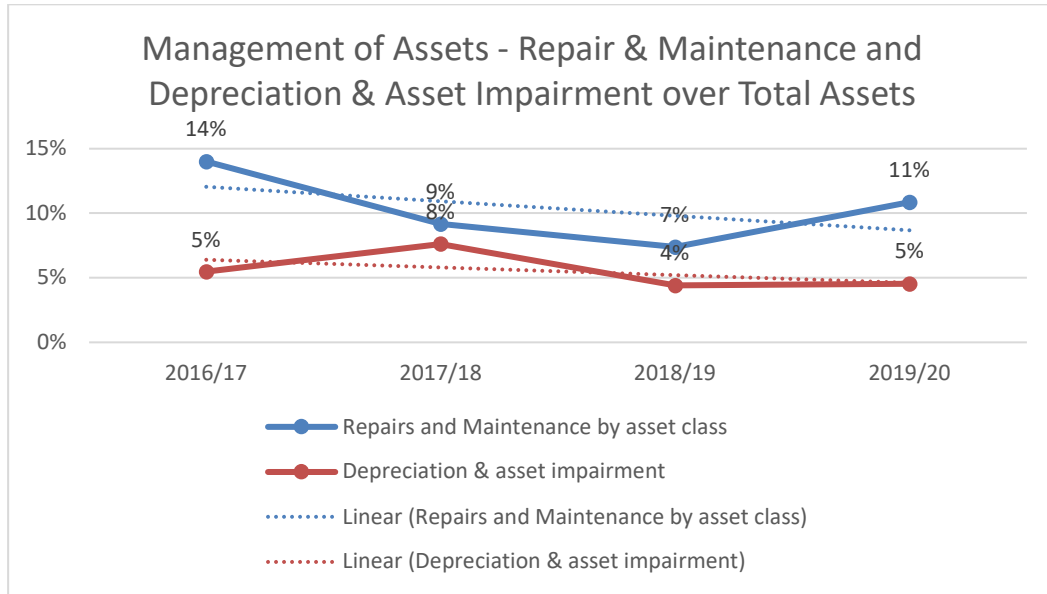
The Municipality received, after application of business plans, several grants from the Provincial Administration Western Cape to develop and implement specific support programs.

5.3 ASSET MANAGEMENT

Table 72: Asset Management 2019/2020

Asset Management 2019/20						
R thousands	2016/17	2017/18	2018/19	2019/20		
	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjustment budget	Audited outcome
Capital expenditure on new assets by Asset Class/Sub-class						
Infrastructure	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-
Community	-	-	290	2 900	-	-
Heritage assets	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other assets	1 182	2 945	2 419	1 670	2 217	1 869
Agricultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Intangibles	174	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE ON NEW ASSETS	1 357	2 945	2 709	4 570	2 217	1 869
Capital expenditure on renewal/upgrading of existing assets by Asset Class/Sub-class						
Infrastructure	-	-	22 421	6 328	200	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	200	200	-
Infrastructure - Sanitation	-	-	105	-	-	-
Infrastructure - Other	-	-	22 316	6 128	-	-
Community	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other assets	5 425	2 373	11 852	455	3 235	1 131
Agricultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Intangibles	-	14	-	-	-	-
Total capital expenditure on renewal/upgrading of existing assets	5 425	2 387	34 273	6 783	3 435	1 131
Total capital expenditure						
Infrastructure	-	-	22 421	6 328	200	-
Infrastructure - Road transport	-	-	-	-	-	-
Infrastructure - Water	-	-	-	200	200	-
Infrastructure - Sanitation	-	-	105	-	-	-
Infrastructure - Other	-	-	22 316	6 128	-	-
Community	-	-	290	2 900	-	-
Other assets	6 607	5 318	14 271	2 125	5 452	3 001
Intangibles	174	14	-	-	-	-
Total capital expenditure - asset class	6 782	5 332	36 982	11 353	5 652	3 001
Asset register summary						
Infrastructure	11 602	11 998	32 774	39 423	32 502	31 818
Infrastructure - Road transport	2 344	2 200	2 045	1 811	1 353	1 985
Infrastructure - Electricity	382	358	333	260	184	323
Infrastructure - Water	1 019	956	888	1 899	1 744	863
Infrastructure - Sanitation	2 986	2 802	2 702	1 955	1 328	2 623
Infrastructure - Other	4 871	5 682	26 806	33 498	27 893	26 024
Community	30	13	12	5 800	14	12
Investment properties	13 114	12 991	12 811	1 199	12 880	12 811
Other assets	34 400	35 492	34 995	36 767	45 240	34 081
Intangibles	450	345	26	226	224	18
TOTAL ASSET REGISTER SUMMARY	59 595	60 839	80 619	83 414	90 859	78 740
EXPENDITURE OTHER ITEMS						
Depreciation & asset impairment	3 254	4 635	3 558	3 576	3 576	3 568
Repairs and Maintenance by asset class	8 349	5 579	5 960	96 626	13 018	8 550
Infrastructure	-	-	-	85 714	4 039	-
Infrastructure - Road transport	-	-	-	81 686	-	-
Infrastructure - Electricity	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-
Infrastructure - Other	-	-	-	4 028	4 039	-
Community	-	-	-	-	-	-
Other assets	8 349	5 579	5 960	10 912	8 979	8 550
TOTAL EXPENDITURE OTHER ITEMS	11 603	10 214	9 518	100 202	16 593	12 118

Figure 16: Management of Assets – Repair & Maintenance and Depreciation & Asset Impairment over Total Assets



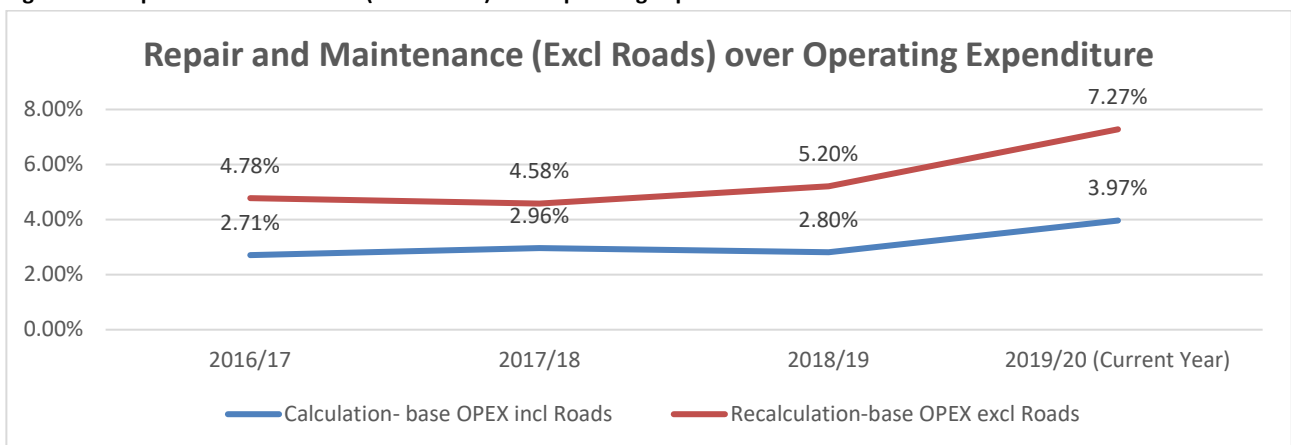
COMMENT ON ASSET MANAGEMENT

The above graph indicates that percentage spend on repair and maintenance expressed over total assets increased although the trendline is still downwards. Depreciation and asset impairment remain stable as the total asset value did not increase over the last two financial years. Infrastructure Assets of Road Transport will in future be excluded in future from Budget and Actual figures as these assets does not belong to ODM.

Table 73: Repair and Maintenance Expenditure: 2019/2020

Repair and Maintenance Expenditure: 2019/20				
	Original Budget (R)	Adjustment Budget (R)	Actual (R)	Budget variance
Repairs and Maintenance Expenditure	96 626	13 018	8 550	-91.15%

Figure 17: Repair and Maintenance (Excl. Roads) over Operating Expenditure

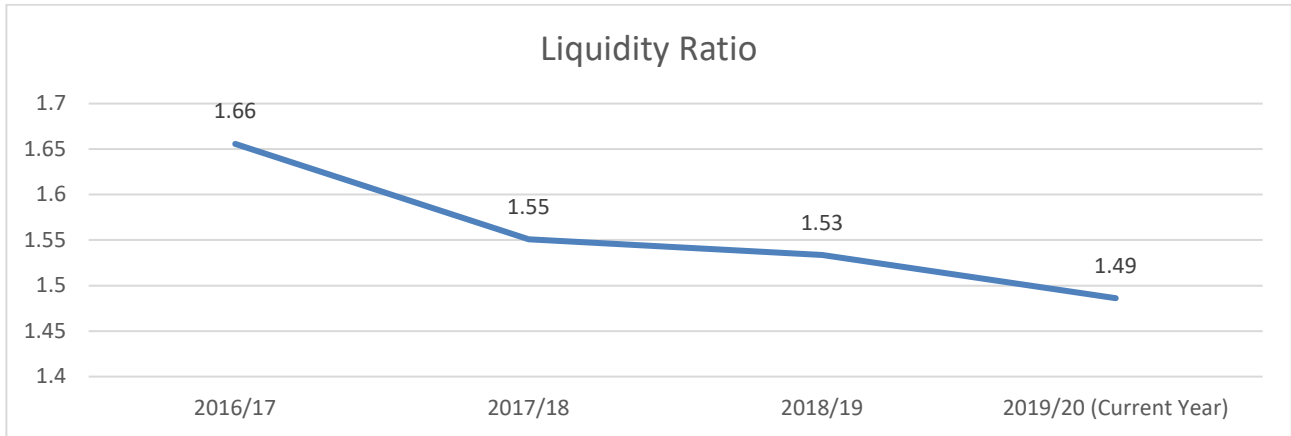


COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

As previously mentioned in the report under financial ratio’s, this ratio had been recalculated by excluding the Roads operation expenditure from the base, as the Roads is not included in the repair and maintenance figure. The above graph shows the previous “miscalculation” and that there was now an improvement towards the accepted norm of 8%.

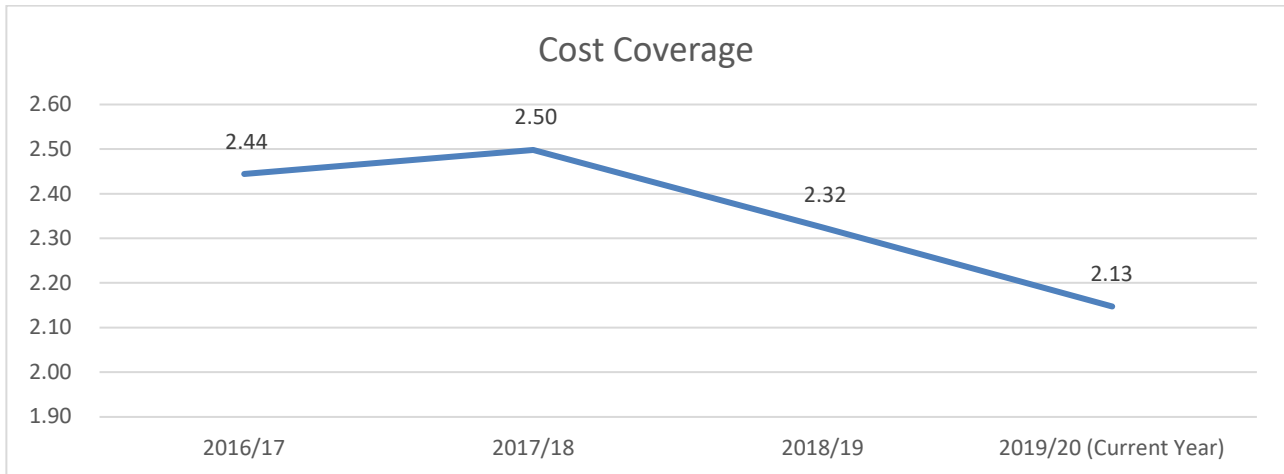
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Figure 18: Liquidity Ratio



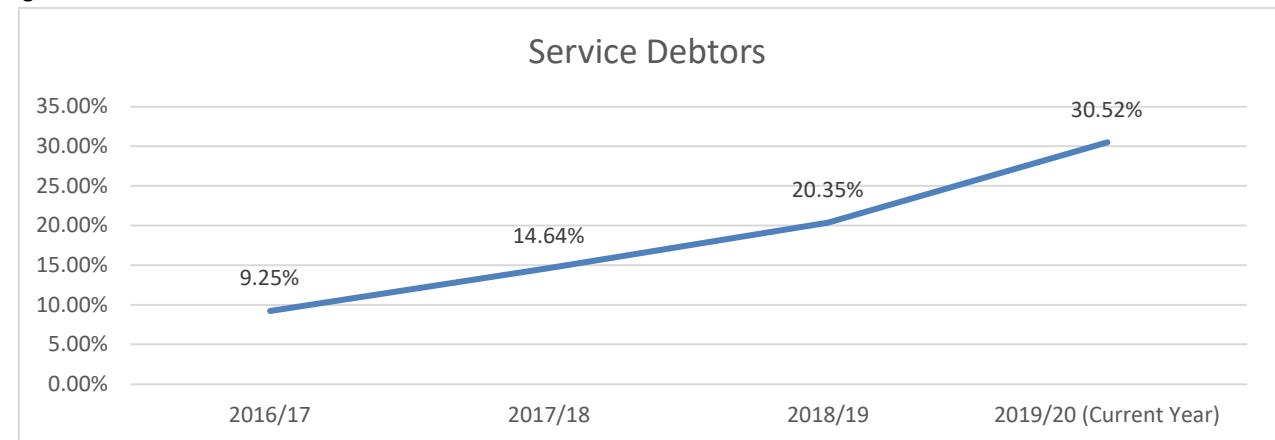
Liquidity Ratio – Measures the Municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the Municipality’s current liabilities. A higher ratio is better.

Figure 19: Cost Coverage Ratio



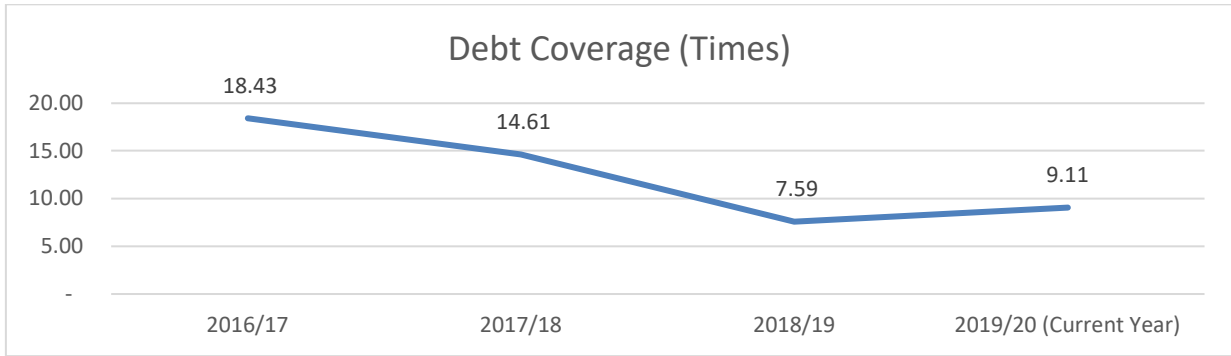
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants

Figure 20: Service Debtors Ratio



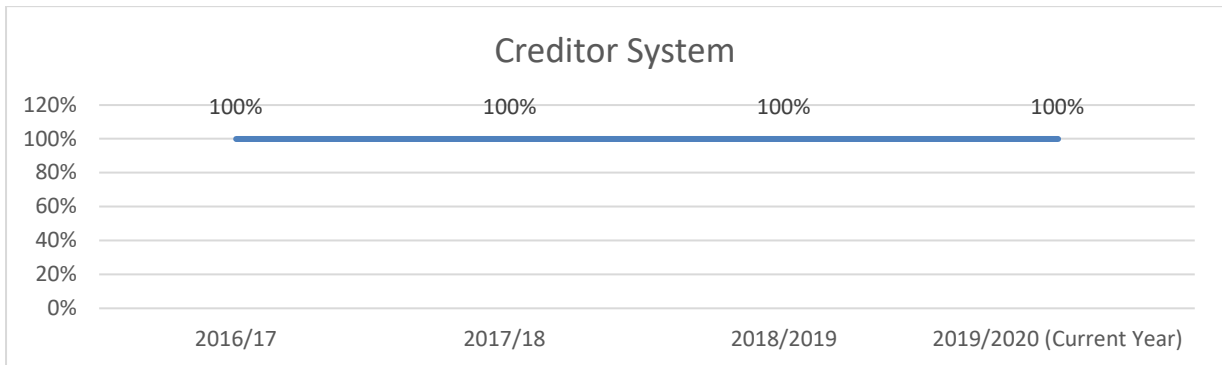
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Figure 21: Debt Coverage Ratio



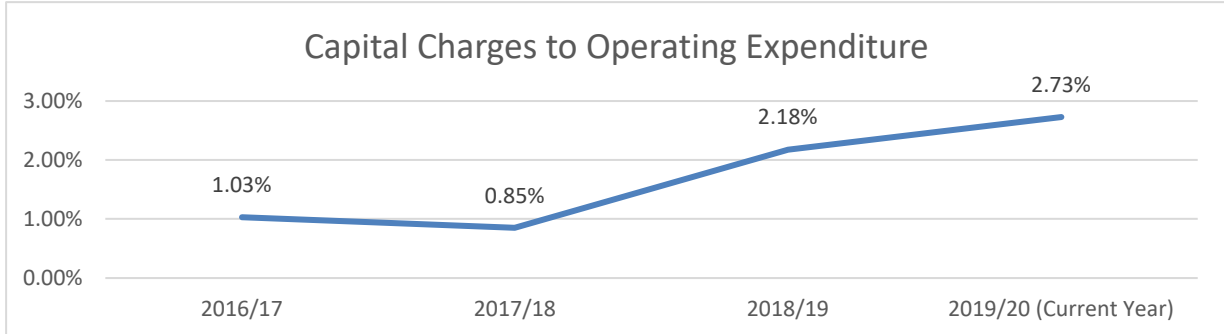
Debt Coverage— The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the Municipality

Figure 22: System Efficiency Ratio



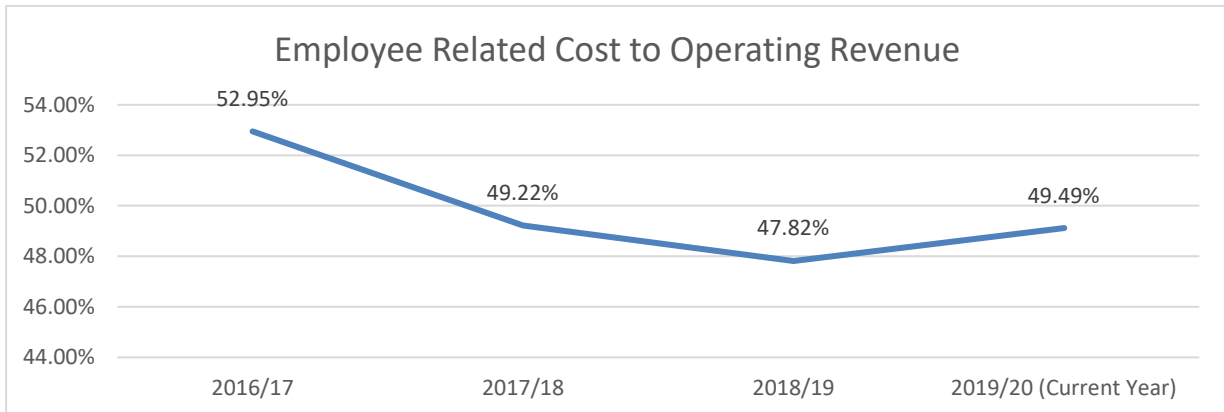
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Figure 23: Capital Charges to Operating Expenditure Ratio



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Figure 24: Employee Related Cost to Operating Revenue



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

COMMENT ON FINANCIAL RATIOS

The liquidity ratio slightly declined due to the loan for the development of Cell 4 at Karwyderskraal. The dependence on grants causes the ratios to fluctuate unevenly as the Municipality has no control over the grants it will receive, thus resulting in expenditure levels being uneven from year to year. The funds received for the roads function especially fluctuates drastically and has a huge influence on expenditure incurred. The ratio is within the norm.

The services debtors’ ratio increased significantly due to outstanding debtors at year end for fire services rendered and waste management services provided to local municipalities. However, all these service charges were not older than 60 days and were settled early in the new financial year. If only the charges over 30 days are taken, the ratio reduce to 19.60%.

The debt service ratio improved slightly due to increased own revenue and less debt service costs.

Capital charges increase due to obtaining a loan for the construction of a new cell at the regional landfill site. This is below the norm of 6%.

The Municipality manages to pay its creditors within 30 days resulting in a 100% Creditor System Efficiency ratio.

The employ related cost ratio increased due to vacancies that had been filled during the financial year.

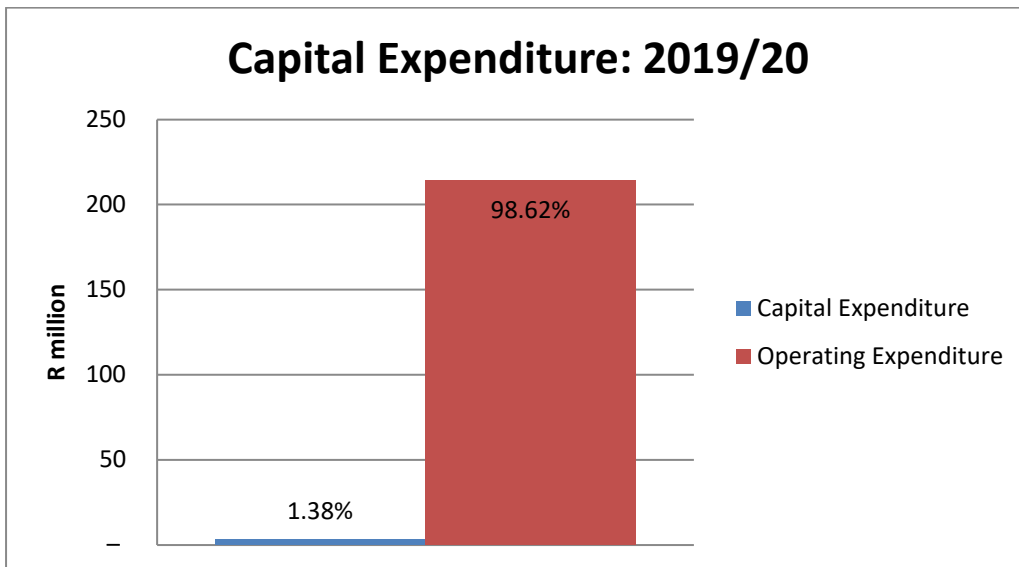
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Council envisaged that proceeds on the selling of properties would be used to fund essential capital expenditure.

5.5 CAPITAL EXPENDITURE

Figure 25: Capital Expenditure 2019/2020



5.6 SOURCES OF FINANCE

Table 74: Capital Expenditure - Funding Sources: 2018/2019 to 2019/2020

Capital Expenditure - Funding Sources Year 2018/19 to 2019/20						
Details	R' 000					
	2018/19	2019/20				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	22 316	26 977	22 356		0.00%	-100.00%
Public contributions and donations					0.00%	0.00%
Grants and subsidies	1 483	1 483	4 183	691	182.06%	-53.39%
Other	13 183	4 281	5 330	2 309	24.51%	-46.05%
Total	36 982	32 741	31 869	3 001	-2.66%	-90.84%
Percentage of finance						
External loans	60.34%	82.40%	70.15%	0.00%	0.00%	110.09%
Public contributions and donations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grants and subsidies	4.01%	4.53%	13.13%	23.04%	-6836.23%	58.78%
Other	35.65%	13.07%	16.72%	76.96%	-920.26%	0.00%
Capital expenditure						
Water and sanitation					0.00%	0.00%
Electricity					0.00%	0.00%
Housing					0.00%	0.00%
Roads and storm water	3			3	100.00%	100.00%
Other	36 979	32 741	31 869	2 998	-2.66%	-90.84%
Total	36 982	32 741	31 869	3 001	-2.66%	-90.84%
Percentage of expenditure						
Water and sanitation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Electricity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Housing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roads and storm water	0.01%	0.00%	0.00%	0.09%	0.00%	0.00%
Other	99.99%	100.00%	100.00%	99.91%	100.00%	100.01%

COMMENT ON SOURCES OF FUNDING

All projects were funded either from own funding or conditional grants received.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS

There were no major capital projects performed in the 2019/20 financial year.

As provided on the original budget, the capital project "Fire Station" to the amount of R 2,9 million was removed in the Adjustment Budget as properties will not be sold timeously in the 2019/20 financial year to finance the project. The project will be included in the 2020/21 capital budget.

Also provided on the original budget, the capital project "Karwyderskraal" to the amount of R6,1 million was removed in the Adjustment Budget "Karwyderskraal" as the adjacent property owners are not willing to sell their properties

next to Karwyderskraal. A project will be included in the 2020/21 capital budget as soon as a new project has been identified.

Appendix L refers to the procurement of other capital assets as per the capital programme per department.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Not applicable.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Although the financial position has improved, it is still not satisfactory, and the Municipality will have to maintain strong financial management and discipline due to grant dependency.

5.9 CASH FLOW

Table 75: Cash Flow Outcomes

Cash Flow Outcomes				
R'000				
Description	2018/19	2019/20		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Service charges	1 523	10 723	10 723	9 726
Other revenue	120 307	31 040	134 490	118 751
Government - operating	74 152	169 423	79 811	79 803
Government - capital	4 183	1 100	200	266
Interest	2 228	2 600	2 600	1 877
Dividends			-	
Payments				
Suppliers and employees	(200 558)	(206 679)	(223 916)	(203 348)
Finance charges	(2 209)	(3 076)	(3 085)	(3 004)
Transfers and Grants	(360)	(380)	(484)	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(735)	4 750	339	4 072
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1 062	5 100	5 100	-
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	(24 571)	(11 353)	(5 652)	(3 001)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(23 509)	(6 253)	(552)	(3 001)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	28 393	-	-	-
Increase (decrease) in consumer deposits	(4)	-	-	-
Payments				
Repayment of borrowing	(2 413)	(2 872)	(2 872)	(2 872)
NET CASH FROM/(USED) FINANCING ACTIVITIES	25 976	(2 872)	(2 872)	(2 872)
NET INCREASE/ (DECREASE) IN CASH HELD	1 733	(4 375)	(3 086)	(1 801)
Cash/cash equivalents at the year begin:	36 715	39 528	38 448	38 448
Cash/cash equivalents at the year end:	38 448	35 153	35 362	36 647

COMMENT ON CASH FLOW OUTCOMES

The cash flow position of the Municipality remained stable during the year under review although there was a slight decrease in the cash balance at the end of the financial year. Included in this cash balances, is committed funds regarding the remainder of the external loan taken up as well as Karwyderskraal rehabilitation fund.

Although the gains on the disposal of land did not materialize, the capital project that would have been funded from this source, was put on hold which did not negatively affected the cash flow.

5.10 BORROWING AND INVESTMENTS**INTRODUCTION TO BORROWING AND INVESTMENTS**

Borrowing consists of an annuity loan of R25 million for the construction of cell 4 at Karwyderskraal Regional Landfill site.

Table 76: Actual Borrowings: Year 2018/2019 to 2019/2020

Actual Borrowings Year 2017/18 to 2019/20			
	R' 000		
Instrument	2017/18	2018/19	2019/20
Municipality			
Long-Term Loans (annuity/reducing balance)	104	25 161	22 211
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	154	-	-
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Municipality Total	258	25 161	22 211

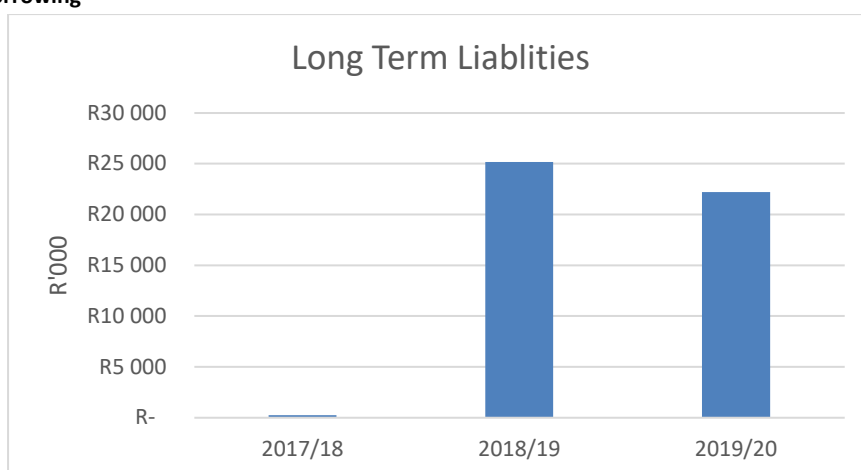
Figure 26: Actual Borrowing

Table 77: Municipal Investments

Municipal Investments			
Investment* type	2017/18	2018/19	2019/20
	Actual	Actual	Actual
R' 000			
Municipality			
Deposits - Bank	36 708	38 441	36 640
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			
Municipality sub-total	36 708	38 441	36 640
Consolidated total:	36 708	38 441	36 640

COMMENT ON BORROWING AND INVESTMENTS

The municipality strives to, in terms of the investments policy, invest all surplus funds in order to maximise the revenue earned from interest. However due to the decrease in the prime rate, the revenue amount budgeted for could not realize.

5.11 PUBLIC PRIVATE PARTNERSHIPS**PUBLIC PRIVATE PARTNERSHIPS**

The Municipality has no Public Private Partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS**5.12 SUPPLY CHAIN MANAGEMENT**

All Supply Chain Management (SCM) related policies were reviewed and the unit is functioning. Monthly, quarterly and annual reports have been submitted and performance evaluations on service providers were done on a bi-annual basis.

All required SCM employees reached the prescribed levels required for their positions by completing all the required MMC unit standards.

No Councillor forms part of the bid process.

5.13 GRAP COMPLIANCE**GRAP COMPLIANCE**

GRAP is the acronym for **G**enerally **R**ecognised **A**ccounting **P**ractice 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.

The Municipality has fully implemented GRAP. The financial statement is compiled accordance to GRAP standard, as prescribed by die MFMA and are audited as such.

CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

INTRODUCTION

In terms of Section 188 (1)(b) of the Constitution of the Republic of South Africa 1996 (Act 108 of 1996), the functions of the Auditor-General include auditing and reporting on the accounts, financial statements and financial management of all municipalities. Section 45 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000), stipulates that the results of performance management must be audited annually by the Auditor-General.

The Auditor-General conducted the audit of this Municipality. The financial statements were submitted to them within the prescribed timeframes as determined by Section 126 (1)(a) of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003).

COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2018/2019

6.1 AUDITOR-GENERAL REPORT 2018/2019

Table 78: Auditor-General Report on Financial Performance Year 2018/2019

Auditor-General Report on Financial Performance Year 2018/2019	
Audit Report Status*:	Unqualified with findings
Non-Compliance Issues	Remedial Action Taken
<p>Annual Financial statements The financial statements were not prepared in all material respects in accordance with section 122(1) of the MFMA. Material misstatements in the disclosure notes identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion</p> <p>Procurement and contract management Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even through it was not impractical to invite bids, in contravention of SCM regulation 36(1)</p> <p>Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).</p> <p>Some of the 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 2017 preferential procurement regulation.</p> <p>Some of the 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 the 2017 preferential regulation 8(5)</p>	<p>Completed</p> <p>The matters will be referred to the Committee who investigate unauthorised, irregular or fruitless and wasteful expenditure for consideration and recommendation to Council.</p> <p>The matters will be referred to the Committee who investigate unauthorised, irregular or fruitless and wasteful expenditure for consideration and recommendation to Council.</p> <p>The matters will be referred to the Committee who investigate unauthorised, irregular or fruitless and wasteful expenditure for consideration and recommendation to Council.</p> <p>Checklist to be compiled to identify the treatment of local content commodities</p>
Internal Control Deficiencies	Remedial Action Taken
Regular, accurate and complete financial and performance reports	

<p>The financial statements contained numerous misstatements mainly due to staff not fully understanding the requirements of the financial reporting framework</p> <p>Compliance monitoring</p> <p>The Municipality’s systems of controls were not able to prevent, detect and correct invalid deviations when they occur.</p> <p>Monitoring and review controls were not sufficient to prevent non-compliance with the requirement of the Preferential Procurement Regulations</p>	<p>Misstatements were due to the interpretation of GRAP standards</p> <p>Will in future comply with prescripts</p> <p>Checklist to be compiled to identify the treatment of local content commodities</p>
Emphasis of matters	Remedial Action Taken
<p><u>Restatement of corresponding figures</u></p> <p>As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors discovered during 2018-2019 in the financial statements of the Municipality for the year ended 30 June 2019.</p> <p><u>Unauthorized, irregular, fruitless and wasteful expenditure</u></p> <p>As disclosed in note 43.1 to the financial statements, the municipality incurred unauthorized expenditure of R16 424 967, due to overspending of the operation and capital budget votes mostly due to non – case items not accounted for in the budget</p> <p><u>An uncertainty relating to the future outcome of exceptional regulatory action</u></p> <p>With reference to not 52.2 to the financial statements, the Municipality claimed VAT inputs relating to expenditure incurred on the Roads Maintenance function on the basis that they are a service provider, while in terms of the VAT Act the Municipality is considered an agent. This raised the possibility to repay the VAT claimed from SARS. The Municipality in process of engaging with SARS on the matter. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements</p>	<p>Restatement done to rectify discrepancies of the previous year</p> <p>The irregular, and fruitless and wasteful expenditure will be referred to the Committee who investigate unauthorised, irregular or fruitless and wasteful expenditure for consideration and recommendation to Council. The unauthorized expenditure will be referred to Council.</p> <p>Noted, will be investigated and referred to SARS for clarification.</p>

Table 79: Auditor-General Report on Service Delivery Performance 2018/2019

Auditor-General report on Service Delivery Performance 2018/2019	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
<p>There were no material findings raised on the usefulness and reliability of the reported performance information for the selected development priorities.</p> <p>Strategic objective 1 – To ensure the well-being of all in the Overberg District through the provision of efficient basic services and infrastructure.</p> <p>Attention is drawn to the Achievement of planned targets: Refer to the annual performance report on page 50-53 for information on the achievement of planned targets for the year.</p>	

COMPONENT B: AUDITOR-GENERAL OPINION 2019/2020

6.2 AUDITOR-GENERAL REPORT 2019/2020

The 2019/2020 audit outcome was received and the Auditor-General was requested to take the audit outcome under review.

Table 80: Auditor-General Report on Financial Performance Year 2019/2020

Auditor-General Report on Financial Performance Year 2019/2020	
Audit Report Status*:	
Non-Compliance Issues	Remedial Action Taken

Internal Control Deficiencies	Remedial Action Taken
Emphasis of matters	Remedial Action Taken

Table 81: Auditor-General Report on Service Delivery Performance 2019/2020

Auditor-General report on Service Delivery Performance 2019/2020	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken

AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2019/2020

See **Appendix N** for the Auditor-General Report.

COMMENTS ON AUDITOR-GENERAL’S OPINION 2019/2020

The 2019/2020 audit outcome was received and the Auditor-General was requested to take the audit outcome under review.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to Provincial and National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Appendix O - Declaration of returns not made in due time.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Include 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.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. These include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “ <i>what we wish to achieve</i> ”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “ <i>what we produce or deliver</i> ”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, 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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.

Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	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. Section 1 of the MFMA defines a "vote" as: <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> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	Party Represented	Percentage Council Meetings Attendance %	Percentage Apologies for non-attendance %
Andries Erwee Franken (Executive Mayor)	FT	Mayoral Committee, Council	DA	100	0
Archibald Gabriel Klaas (Deputy Mayor)	FT	Mayoral Committee / Financial Services, Council	DA	100	0
Lincoln De Bruyn (Speaker)	FT	Council Speaker	DA	100	0
Lindile Ntsabo	FT	MAYCO Member / Council / Chairperson Corporate & IGR Portfolio	DA	100	0
Helen Coetzee	FT	MAYCO Member Council / Financial services	DA	100	0
Cornelius Marthinus Lamprecht	FT	MAYCO member / Chairperson Finance Portfolio / Council	DA	75	25
Steven Hendrikus Fourie	PT	Council / Community Portfolio member	DA	100	0
Kiro Jacobie Tiemie	PT	Council / Strategic services	DA	87	13
Charmain Resandt	PT	Council / Strategic services	DA	100	0
Ronald Brinkhuys	PT	Council / Community Services	DA	87	13
Evelyn Sauls	PT	Council / Strategic Portfolio	DA	100	0
Samuel Fredericks	PT	Council/ Corporate Services	DA	100	0
Jean Orban	PT	Council / Corporate Services	DA	100	0
Gcobisa Mangcu-Qotywe	PT	Council Corporate Services	DA	100	0
Mario Hilton Witbooi	PT	Council / Strategic Services Portfolio	ANC	87	13
Jan Cornelius Gelderblom	PT	Council / Community Services Portfolio member	ANC	75	25
Unathi Toto Sipunzi	PT	Council / Corporate Portfolio member	ANC	75	25
Eve Catherine Marthinus	PT	Council / Finance Services Portfolio member	ANC	87	13
Ntombizine Michelle Sapepa	PT	Council / Corporate Services Portfolio member	ANC	75	25
Caroline Wood	PT	Council / Finance Portfolio member	ANC	75	25
Vuyiswa Elizabeth Mentile	PT	Council/ Strategic Services Portfolio member	ANC	87	13

Number of meetings held during the year:

Executive Mayoral Committee meetings - 6

Council meetings (Ordinary and Special meetings) - 8

Section 80 Committees (Strategic, Finance, Corporate & IGR and Community Services) meetings – 16 in total

Councillors Present Council on Statutory Committees and other governing bodies	
Council Members	Present Council on Statutory Committees and other governing bodies
Andries Erwee Franken (Executive Mayor)	SALGA – Governance and IGR & District Provincial Health Forums District Co-ordinating Forum
Archibald Gabriel Klaas (Deputy Mayor)	SALGA - Municipal Innovations and Information Technology, Local Labour Forum Employment Equity Training Committee Financial Services Portfolio
Lincoln De Bruyn (Speaker)	Speakers Forum
Lindile Ntsabo	Corporate Services Portfolio Local Labour Forum Training Committee Employment Equity meeting SALGA – Capacity Building and Institutional Resilience
Ronald Brinkhuys	Provincial Development Council SALGA – Environmental Planning and Climate change Firework Group Community Services Portfolio
Cornelius Marthinus Lamprecht	SALGA – Municipal Finance Finance Portfolio & Budget Steering Committee
Steven Hendrikus Fourie	Section 32 Committee Municipal Accounts Committee (MPAC) Community Services Portfolio Local Labour Forum SALGA - Public Transport
Kiro Jacobie Tiemie	SALGA - Water sanitation and waste management Caledon Museum Strategic Portfolio
Charmain Resandt	Municipal Accounts Committee (MPAC) Section 32 Committee Community Services
Helen Coetzee	SALGA - Women’s Commission Bredasdorp Shipwreck Museum Financial Services Portfolio Alleged Breaches Committee Disciplinary Committee
Evelyn Sauls	Strategic Services Portfolio
Jean Orban	Corporate Service Portfolio
Samuel Fredericks	Strategic Services
Mario Hilton Witbooi	Strategic Service Portfolio
Jan Cornelius Gelderblom	Chairperson Municipal Accounts Committee (MPAC) Community Services Portfolio Old Harbour Museum - Hermanus
Unathi Toto Sipunzi	Training Committee & Corporate Service Portfolio
Eve Catherine Marthinus	Koggelberg Biosphere & Finance Portfolio
Ntombizine Michelle Sapepa	Corporate Service Portfolio
Caroline Wood	Section 32 Committee Genadendal Museum Finance Portfolio
Vuyiswa Elizabeth Mentile	Local Labour Forum Strategic Service Portfolio Employment Equity Committee Disciplinary Committee

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees			
Municipal Committees	Purpose of Committee	Composition	Number of meetings held during the year
Section 80 Committee	The Section 80 Committees assist the Executive Mayor and Executive Mayoral Committee in respect of Community Services, Financial Services, Corporate & IGR Services and Local Economic Development & Tourism. This Committee has no statutory powers and reports to the Executive Mayoral Committee.	Councillors	16
Audit & Performance Audit Committee	In terms of section 166 of the MFMA. To advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality relating to matters listed in the MFMA, section 166.	Independent members	6
Municipal Public Accounts Committee (MPAC)	In assisting the council with its oversight function, a Municipal Public Accounts and Oversight Committee was established in terms of section 79 of the Municipal Structures Act (Act 117 of 1998). Section 129(4)(b) of the MFMA. The MPAC also serves as the Oversight Committee of the Annual Report.	Councillors and invitees	1
Training Committee	In terms of the Skills Development Act (Act 97 of 1998). To promote skills development in the workplace.	Councillors, Management and Union member	3
Employment Equity	In terms of the Employment Equity Act. To promote equal opportunities and fair treatment to all in the workplace.	Councillors, Management and Union member	2
Local Labour Forum	According to the SALGBC Main Collective Agreement to promote sound Labour Relations.	Councillors, Management and Union member	6
Health & Safety Committee	In terms of the Occupational Health and Safety Act (Act 85 of 1993). To promote a healthy and safe working environment for employee and community	Officials	1
Section 32 Committee	It is an ad hoc committee, appointed by Council, to investigate unauthorised, irregular or fruitless and wasteful expenditure.	Councillors	1
Alleged Breaches Committee	It is a special committee established by Council to assist in the discipline of Councillors.	Councillors	0
IDP Steering Committee	To monitor the IDP process plan and IDP related processes and inputs.	Councillors and Officials	2
Fraud and Risk Management Committee	The Fraud and Risk Management Committee serves as a forum to assist the accounting officer in addressing its oversight requirements of fraud and risk management and evaluating and monitoring the Municipality's performance with regards to risk management.	Municipal Manager, Directors, IDP Manager, Performance Management, Member of the Audit and Performance Audit Committee Invitees: Internal Audit and CRO	4
Disciplinary Board	It is an ad hoc committee established accordance to the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings	Head Internal Audit, Chairperson of Audit and Performance Audit Committee, Senior official Responsible for legal, Representation of Provincial and National Treasury	0
Budget Steering Committee	To provide technical assistance to the mayor in discharging the Responsibilities set out in section 53 of the Act (MFMA)	Chairperson Finance Portfolio Committee, Municipal Manager, CFO, Director Community Services, Senior Manager: Corporate Services, Head: Financial Services and Head: IDP & Communication	2

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Office of the Municipal Manager	<i>*Head: Internal Auditor - Vacant</i>
	<i>Head: IDP and Communication - Mrs. V Zeeman</i>
Directorate: Finance	<i>*Head: Expenditure & Income - Vacant</i>
	<i>Head: Financial Services – Mrs. W Stassen</i>
	<i>Head: SCM – Mrs. D Kapot-Witbooi</i>
Directorate: Corporate Services	<i>Legal Advisor - Vacant</i>
	<i>*Head: Human Resources - Vacant</i>
	<i>*Head: Committee Services, Records Manager and Councilor Support - Vacant</i>
Directorate: Community Services	<i>*Manager: Municipal Health - Vacant</i>
	<i>Manager: Environmental Management - Mr. F Kotze</i>
	<i>Social Development Officer: Vacant</i>
	<i>Manager: Emergency Services - Mr. R Geldenhuys</i>
	<i>Manager: Roads Services - Mr. A van Eeden</i>
	<i>Manager: LED, Tourism and Resorts – Mr. D Lambrechts</i>

*The functions of these positions are performed by incumbents, but still need to be placed.

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes / No)	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	Not applicable
Building regulations (Fire and Municipal Health)	Yes	
Childcare facilities (Environmental Health Certificate to the application of the facility)	Yes	
Electricity and gas reticulation		
Firefighting services	Yes	
Local tourism (Regional)	Yes	
Municipal airports		
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes, Only ferry at Malagas	
Stormwater management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities (Uilenkraalsmond and Die Dam Resorts)	Yes	
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution	yes	
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal	yes	
Street trading		
Street lighting		
Traffic and parking		

APPENDIX E – REPORT OF AUDIT AND PERFORMANCE AUDIT COMMITTEE

OVERBERG DISTRICT MUNICIPALITY: ANNUAL OVERSIGHT REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**INTRODUCTION**

The Audit and Performance Audit Committee presents its report for the year ended 30 June 2020 in terms of its responsibilities and duties set out in the relevant legislation and the Audit Committee Charter.

The Committee serves as both the Audit Committee in accordance with Section 166 of the *Municipal Finance Management Act, 2003* and the Performance Audit Committee in terms of the *Municipal Planning and Performance Management Regulations, 2001*. In terms of regulation 14(4)(a)(iii) of the same Regulations a Performance Audit Committee must at least twice during the financial year submit an audit report to the municipal council concerned. This report is submitted also in compliance with that requirement.

AUDIT COMMITTEE MEMBERS

The following independent persons served as members of the Audit and Performance Audit Committee during the year:

Mr. PAL Strauss – Chairperson
 Mr. CCC Pieterse.
 Mr. H J Jansen van Rensburg
 Mr. D M Farenhem.

MEETINGS

Committee meetings	
Date	Reason
22/7/2019	Quarterly APAC meeting
27/8/2019	Review Annual Financial Statements and Performance Report for 2018/2019
5/11/2019	Quarterly APAC meeting
27/11/2019	Discussion of Draft Auditor-General Report for 2018/2019
11/12/2019	Review Annual Report
15/5/2020	Quarterly APAC meeting
26/6/2020	Quarterly APAC meeting.

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee has complied with its responsibilities in terms of section 166(2) of the MFMA and Regulation 121(4)(g) of the Performance Management Regulations respectively.

The following internal audit engagements were conducted and reviewed by the Audit Committee:

- Year-end stock count report – 2018/2019;
- OPCAR 2018/2019;
- Karwyderskraal – Income and Sinking Fund
- Report on tariffs 2019/2020;
- Performance Management Quarter 4 of 2018/2019;
- Risk Management Review for 2019/2020;
- Follow-up on Karwyderskraal Sinking Fund;
- Performance Management Quarter 1 of 2019/2020;
- Eunomia Compliance on Communications;
- Property Management – Letting and Renting;
- Eunomia Compliance on Payroll;
- Human Resource Management;
- Performance Management Quarter 2 of 2019/2020;

- Occupational Health and Safety;
- Journals;
- Division of Revenue Act 2019/2020;
- ICT Follow up;
- Performance Management Quarter 3 of 2019/2020; and
- Supply Chain Management – Tenders.

The Audit Committee also attended to the following matters during the year:

- Review of 2018/2019 draft Annual Financial Statements on 27 August 2019;
- Shared Services;
- Quarterly Risk management committee meeting minutes;
- Minutes of the section 32 Committee;
- Performance Assessments of Municipal Manager, Director: Community Services and Chief Financial Officer.
- Progress Reports on Risk management and combined assurance;
- Financial reports and quarterly reports;
- Mid-year Budget and Performance Assessment report;
- Progress reports on 2018/19 audit plan and unresolved matters;
- Attending Strategic session;
- Approval of Risk Based Internal Audit Plan for 2020/2021;
- Evaluations of Audit Committee and Internal Audit;
- External Audit fees for 2018/2019;
- Investment Properties;
- ICT Integration;
- Asset Management;
- Joint District Approach;
- MAYCO;
- Rendering Fire Services to Swellendam Municipality;
- Roads Agency Function;
- Budget Implications and financial risk – COVID 19
- Review and approval of:
 - Audit Committee Charter and Roles/ Responsibilities;
 - Internal Audit Charter, Strategy and work procedures.

The Audit Committee regulated its affairs in compliance with the Audit Committee Charter and has performed its responsibilities as described therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

In accordance with the MFMA and the King III & IV Reports on Corporate Governance and Reporting requirements, Internal Audit provides the Audit Committee and management with assurance regarding the effectiveness of internal controls. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested improvements to the controls and processes.

PERFORMANCE MANAGEMENT AUDIT

General

As the Council's Performance Audit Committee, the Committee executed its responsibilities in terms of the approved Charter. Quarterly reports, conducted by the Internal Audit Unit on performance information and predetermined objectives were reviewed and the necessary recommendations were made to management in order to improve the adequacy and effectiveness of the internal control environment and corrective measures.

Performance evaluation of Section 56/57 employees

The annual performance appraisal of the Municipal Manager and the officials directly accountable to him, as well as a mid-year evaluation is carried out annually in accordance with the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager, R805 of 2006 as amended by Government Notice no 21 dated 17 January 2014.

The annual appraisal of the Municipal Manager as well as the Director: Community Services and CFO for 2018/2019, was carried out by a properly constituted panel on 23 January 2020, and attended by the

Chairperson, Mr. P Strauss. The mid-year appraisal of both the Municipal Manager and Director: Community Services and CFO for 2019/2020 was carried out on 05 March 2020. The member of the Performance Audit Committee served on the panels with the purpose of evaluating the process.

The appraisal sessions were conducted in a professional manner, ably chaired by the Executive Mayor and the Municipal Manager respectively.

CONCLUSION

We thank the Executive Mayor and management for their cooperation and for accepting the Committee as an essential component in the structures of the Municipality. We also thank Mr. Flippie Coetzee; and Ms. Marietjie Dunn for their loyalty and assistance. We also want to thank Council, Management and staff for maintaining service delivery during the COVID-19 pandemic.

PAL STRAUSS

Chairman: Audit and Performance Audit Committee
October 2020

**APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE
2019/2020**

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2019/2020	Recommendations adopted (enter Yes) If not adopted (provide explanation)
22 July 2019	Recommendations pertaining to Internal Audit Report on Asset management.	Yes
22 July 2019	Recommendations pertaining to Internal Audit Report on Leave Follow-up review.	Yes
22 July 2019	Report on Year end Stock count for the financial year 2018/2019.	Yes
22 July 2019	Recommendations pertaining to Performance Management Report 3 rd quarter 2018/19.	Yes
22 July 2019	Report on Division of Revenue Act (DoRA) for 2018/19.	Yes
27 August 2019	Recommendations pertaining to the review of the Annual Financial Statements for 2018/2019.	Yes
5 November 2019	Recommendations pertaining to Risk Management Implementation.	Yes
5 November 2019	Recommendations pertaining to Internal Audit Report on Karwyderskraal Landfill Facility.	Yes
5 November 2019	Recommendations pertaining to Internal Audit Report on Performance Information for the 4 th Quarter of 2018/19.	Yes
11 December 2019 2019	Recommendations pertaining to the Draft Annual Report for 2018/2019	Yes
15 May 2020 (Virtual)	Recommendations pertaining to Internal Audit Report on Human Resource Management.	Yes
15 May 2020 (Virtual)	Recommendations pertaining to Internal Audit Report on Journals.	Yes
15 May 2020 (Virtual)	Follow-up report on Karwyderskraal.	Yes
15 May 2020 (Virtual)	Recommendations pertaining to Internal Audit Report on Occupational Health and Safety.	Yes
15 May 2020 (Virtual)	Recommendations pertaining to Internal Audit Report on Property Management	Yes
15 May 2020 (Virtual)	Recommendations pertaining to Internal Audit Reports on Performance Management for the 1 st and 2 nd Quarters of 2019/2020.	Yes
15 May 2020 (Virtual)	Reports on Eunomia Compliance for Communications and Payroll.	Yes
26 June 2020 (Virtual)	Recommendations pertaining to Internal Audit Report on Performance Management for 3 rd quarter of 2019/2020.	Yes
26 June 2020. (Virtual)	Report on Eunomia Compliance for Finance.	Yes
26 June 2020 (Virtual)	Report on ICT Follow-up.	Yes

APPENDIX G – LONG-TERM CONTRACTS (LARGEST CONTRACTS)

Long Term Contracts (Largest Contracts Entered into 2019/2020)					
Name of service provider	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project manager	Estimated monetary value per annum R
Swift Silliker (Pty) Ltd	Food and Water Sample Analyses for the period ending June 2022	08/07/2019	30/06/2022	R Du Toit	243 586
Siyanda Business Solutions	Accounting Services	17/02/2020	30/06/2022	CF Hoffmann	184 776
Metro City Protection Services	Guarding and Security Services at the Overberg District Municipality's Bredasdorp and Caledon premises for the period ending 30 June 2021	08/07/2019	30/06/2021	A Thompson	930 471
BLT Boiler Services CC	Supply, service and repairs to boilers, burners, hot water tanks, heat exchangers, circulation pumps and all other parts pertaining to hot water system	14/10/2019	30/09/2021	J Botha	28 059
Pro Heat & Energy Electrical CC		14/10/2019	30/09/2021	J Botha	136 349

APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests 2019/2020		
Position	Name	Description of Financial interests (Nil / Or details)
Executive Mayor	Andries Erwee Franken	Property, Livestock, Trustee, Shares
Deputy Mayor	Archibald Gabriel Klaas	Property, Trustee, Shares
Speaker	Lincoln de Bruyn	Property, Pension
Member of Mayco	Helena Dorothea Coetzee	Property
Member of Mayco	Cornelius Marthinus Lamprecht	Property, Pension
Member of Mayco	Lindile Ntsabo	Nil
Councillor	Steven Hendrikus Fourie	Nil
Councillor	Kiro Jacobie Tiemie	Livestock, Shareholder
Councillor	Samuel Fredericks	Property, shareholder, pension, employment salary (as from 24 June 2019)
Councillor	Jean Orban	Nil
Councillor	Ronald Brinkhuys	Nil
Councillor	Gcobisa Mangcu-Qotywe	Property, shareholder (as from 6 December 2019)
Councillor	Evelyn Sauls	Nil
Councillor	Mario Hilton Witbooi	Nil
Councillor	Charmain Resandt	Property
Councillor	Vuyiswa Elizabeth Mentile	Property
Councillor	Caroline Wood	Nil
Alderman	Eve Catherine Marthinus	Property, shareholder
Alderman	Ntombizine Michelle Sapepa	Shareholder, property
Councillor	Unathi Toto Sipunzi	Shareholder
Councillor	Jan Cornelius Gelderblom	Shareholder (Events Company), Trustee
Municipal Manager	D P Beretti	Property, Investment, Trust
CFO	C F Hoffmann	Investment, Property
Director Community Services	P A Oliver	Investment, Properties

APPENDIX I - REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX I (I) - REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R' 000
Vote Description	2018/19	2019/20			2019/20 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Municipal Manager	10 481	15 220	15 800	10 533	-44.49%	-49.99%	
Corporate Services	25	24	64	48	51.29%	-31.50%	
Finance	84 265	79 998	83 362	80 420	0.52%	-3.66%	
Community Services	118 316	124 745	134 269	130 479	4.39%	-2.90%	
Total Revenue by Vote	213 087	219 986	233 494	221 481	0.67%	-5.42%	

APPENDIX I (II) - REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R' 000
Description	2018/2019	2019/20			2019/20 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Service charges	2 102	10 723	10 723	11 468	6.49%	6.49%	
Rental of facilities and equipment	15 201	12 024	12 039	10 983	-9.48%	-9.61%	
Interest earned - external investments	2 159	2 500	2 500	1 896	-31.84%	-31.84%	
Interest earned - outstanding debtors	-	100	100	-	0.00%	0.00%	
Licences and permits	123	300	300	137	-119.37%	-119.37%	
Agency services	9 215	9 581	9 882	10 127	5.39%	2.42%	
Roads Maintenance Services	93 654	-	100 475	94 629	100.00%	-6.18%	
Government Grants and Subsidies - Opera	73 375	169 423	80 431	75 051	-125.74%	-7.17%	
Other revenue	14 892	9 134	9 293	16 498	44.63%	43.67%	
Gains on disposal of PPE	882	5 100	5 100	-	0.00%	0.00%	
Total Revenue (excluding capital transfers and contributions)	211 604	218 886	230 844	220 789	0.86%	-4.55%	

APPENDIX J - CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
Local Government Equitable Share	71 776	71 776	71 776	0.00%	0.00%	Division of Revenue Act
Finance Management	1 000	1 000	1 000	0.00%	0.00%	Program
EPWP Incentive	1 243	1 243	1 121	-9.80%	-9.80%	Extended Public Works Program
Municipal Disaster Relief Grant (National)		179	179	100.00%	0.00%	Covid-19 Related expenses
Rural Roads Asset Management Grant	2 807	2 807		-100.00%	-100.00%	Assessment on roads in the district
Seta	100	160	52	-48.18%	-67.61%	Training
Health Subsidy	15	204	159	936.39%	-21.89%	Comprehensive Health Services
Financial Management Support Grant (Resorts)		650		0.00%	-100.00%	Management of Resorts Sustainable Solution)
CDW Operational Support Grant		112		0.00%	-100.00%	Provincial allocation for community development workers
Local Government Graduate Internship Grant		106	13	100.00%	-87.37%	Intern Human Resources
Fire Safety Plan	1 100	1 285	457	-58.49%	-64.47%	Safety Plan implementation (WOSA)
Fire Safety Capacity Building		2 450	719	100.00%	-70.67%	Fire Safety equipment
Municipal Disaster Relief Grant (Provincial)		100	78	100.00%	-21.69%	Provincial Allocation for disaster management purposes
mSCOA Support Grant	280	280	189	-32.65%	-32.65%	Accounts support
Anti-Fraud Support Grant		229		0.00%	-100.00%	Anti Corruption initiatives
Human Capacity Building Grant	380	500		-100.00%	-100.00%	External Bursaries
Total	78 701	83 081	75 743	-3.76%	-8.83%	

APPENDIX K – CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROGRAMMES

APPENDIX K (I) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	2018/19	2019/20			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2020/21	2021/22	2022/23
R '000							
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	-	-	-
Infrastructure: Road transport - Total	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-
Infrastructure: Water - Total	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-	-
Infrastructure: Other - Total	-	-	-	-	-	-	-
<i>Waste Management</i>	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
Community - Total	290	2 900	-	-	1 000	1 000	-
Parks & gardens	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-
Fire, safety & emergency	290	2 900	-	-	1 000	1 000	-
Security and policing	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-

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Capital Expenditure - New Assets Programme*							
Description	2018/19	2019/20			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2020/21	2021/22	2022/23
R '000							
Capital expenditure by Asset Class							
Heritage assets - Total	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Investment properties - Total	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Other assets	2 419	1 670	2 217	1 869	2 300	2 930	2 540
General vehicles	274	-	1 417	762	-	-	-
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	2 063	1 640	720	1 038	2 300	2 823	2 435
Computers - hardware/equipment	-	-	-	-	-	32	-
Furniture and other office equipment	3	30	80	69	-	75	75
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	78	-	-	-	-	-	30
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-	-	-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-
Other (<i>list sub-class</i>)	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	2 709	4 570	2 217	1 869	3 300	3 930	2 540
Specialised vehicles	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-

APPENDIX K (II) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMMES

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2018/19	2019/20		Planned Capital expenditure			R '000
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2020/21	2021/22	2022/23
Capital expenditure by Asset Class							
Infrastructure - Total	22 421	6 328	200	-	4 900	-	-
Infrastructure: Road transport -Total	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	200	200	-	-	-	-
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>		200	200		-	-	-
Infrastructure: Sanitation - Total	105	-	-	-	-	-	-
<i>Reticulation</i>	105	-	-	-	-	-	-
<i>Sewerage purification</i>	-						
Infrastructure: Other - Total	22 316	6 128	-	-	4 900	-	-
<i>Waste Management</i>	22 316	6 128	-	-	4 900	-	-
<i>Transportation</i>					-	-	-
<i>Gas</i>					-	-	-
<i>Other</i>					-	-	-
Community	-	-	-	-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-	-	-	-	-	-
Buildings							
Other							

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Capital Expenditure - Upgrade/Renewal Programme*							
Description	2018/19	2019/20			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2020/21	2021/22	2022/23
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	11 852	455	3 235	1 131	265	4 233	550
General vehicles	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	-	-	2 450	422	-	200	50
Computers - hardware/equipment	-	300	450	384	200	200	100
Furniture and other office equipment	348	35	35	241	65	-	400
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	11 504	120	300	84	-	3 833	-
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Invento	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-		-	-	-	-
Computers - software & programming	-			-			
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	34 273	6 783	3 435	1 131	5 165	4 233	550
Specialised vehicles	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2019/2020

Capital Programme by Project: 2019/20						R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - OB) %	Variance (Act - Adj) %	
3.5 - Information Services	300	450	403	34.45%	-10.36%	
4.3 - Financial Services	65	115	19	-71.50%	-83.89%	
5.3 - Municipal Health			40	100.00%	100.00%	
5.6 - Solid Waste	6 128			-100.00%	0.00%	
5.7 - Emergency Services	4 500	4 547	2 416	-46.31%	-46.86%	
5.8 - LED, Tourism, Resorts & EPWP	360	540	119	-66.84%	-77.89%	
5.9 - Roads			3	100.00%	100.00%	

APPENDIX M – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: 2019/2020				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2019/2020 R' 000	Total Amount committed over previous and future years
Bursaries	Bursaries to Non-employees	Enroleed at a credit insitution	0	480 000

**APPENDIX N – AUDITOR-GENERAL REPORT ON FINANCIAL STATEMENTS AND PERFORMANCE
REPORT 2019/2020**

The 2019/2020 audit outcome was received and the Auditor-General was requested to take the audit outcome under review.

APPENDIX O – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made During Year 2019/2020 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date
None	N/A

APPENDIX P – 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	Do not rendered basic services, e.g. water, electricity See Annual Reports of Local Municipalities	N/A
Output: Implementation of the Community Work Programme (CWP)	The Municipality only Implemented EPWP programs and has not participated in the CWP.	N/A
Output: Deepen democracy through a refined Ward Committee model	Only applicable to local municipalities See Annual Reports of Local Municipalities	N/A
Output: Administrative and financial capability	Continuous improvement of administrative and financial capabilities and systems have been carried out	Not measured or quantifiable

VOLUME II: ANNUAL FINANCIAL STATEMENTS 2019/2020

Annual Financial Statements 2019/2020 – Volume II of Annual Report

The Annual Financial Statement is not available due the fact that audit outcome is under review.