

# **ANNUAL BUDGET OF BERGRIVIER MUNICIPALITY**



**2023/24 TO 2025/26**

**MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK**

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# 1 Part 1 – Annual Budget

## 1.1 Mayor's Report

Honourable Speaker, Deputy Executive Mayor, Members of the Mayoral Committee, Aldermen, Councillors, Municipal Manager, Directors, guests, ladies and gentlemen, good afternoon.

The preparation of the final budget was a daunting task under the current economic circumstances, both locally and globally. Our ability to deliver good quality services to our citizens are severely being hampered by Eskom's implementation of prolonged loadshedding throughout the country. The energy crisis has a direct impact on the economic growth and revenue of the Municipality. In drafting this budget, all office bearers and the administration had to find a balance between affordability and the delivery of services.

Speaker, ten einde die begroting te balanseer, moes ons uitgawes besnoei maar terselfdertyd ook die verhoging in tariewe beperk tot binne aanvaarbare en bekostigbare vlakke. Gegewe die agterstande en die vele dienslewering uitdagings asook die verhoging in insetkoste, is dit 'n haas onmoontlike taak wat net weereens bevestig dat die fiskale model vir plaaslike regering uitgedien is en dringend hersien behoort te word.

Sustainability and good governance are key drivers of investor confidence and in this regard, I can confirm that Bergrivier Municipality is in a sound financial position with a cash coverage ratio of 4 months. We have also obtained our 7th consecutive clean audit, something which bears testimony to the fact that Bergrivier Municipality subscribes to value for money and good corporate governance.

### NOTES AS BACKGROUND TO THE BUDGET

The Medium-Term Revenue and Expenditure Framework (MTREF) for 2023/24 to 2025/26 was compiled to meet the requirements of the following legislation in particular:

- The Constitution of South Africa, Act 108 of 1996;
- The Municipal Structures Act, Act 117 of 1998;
- The Municipal Systems Act, Act 32 of 2000;
- The Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003;
- The Municipal Budget and Reporting Regulations promulgated on 17 April 2009; and
- The Division of Revenue Act, Act 1 of 2010.

The revenue and expenditure projections have taken the annual inflation-linked adjustments applicable to the Medium-Term Revenue and Expenditure Framework into account.

### INFLUENCES ON THE BUDGET

Speaker, several factors impacting on this budget came from the macro environment and especially:

- Global economic risks including a slow recovery of the economy globally;
- The disruption to the freight and logistics sector;
- Persistent and prolonged loadshedding which is impacting on service delivery and threatens the survival of many businesses (in particular small and medium businesses);
- Sluggish economic growth projections which have been revised to present a downward trajectory for the South African economy;
- National government's fiscal consolidation strategy which translates into lower government grants; and
- An understanding that the tax and tariff payers are overburdened and that the municipal bill is becoming unaffordable.

In preparing the final budget, we also had to incorporate the guidelines provided by National Treasury. Speaker, I can confirm Bergrivier Municipality's commitment to spend economically rather than spending the economy. It will be expected of the entire administration to continue to find alternative and innovative measures of ensuring service delivery without necessarily having to increase the cost to the ratepayer and consumer.

Speaker, I now turn to the final budget for 2023/24.

Total operating revenue excluding capital grants amounts to R527,674 million

Total operating expenditure amounts to R540,375 million

The main sources of our operating revenue are as follows:

Service Charges	50.76%
Operational grants	17.52%
Property Rates	19.79%

Operating revenue has shown an increase of 11.92% when compared to the 2022/23 financial year, primarily because of a 21.80% increase in operational grants.

Operating expenditure grew by 10.20% from R490,365 million in 2022/23 to R540,375 million with the major expenditure items being as follows:

Employee related costs	33.75%
Inventory consumed and bulk purchases	28.21%

A capital budget amounting to R102,441 million is proposed for the 2023/24 financial year.

This expenditure will be financed as follows:

Government grants and subsidies	R49,871 million
External loans	R30,910 million
Own funding	R21,660 million

The biggest portion of the capital budget will be spent on water management (R22,7million) and infrastructure relating to housing projects (R25,2million)

Ten einde die begroting te balanseer is dit onvermydelik om nie tariewe te verhoog nie en word die volgende tariefaanpassings in die vooruitsig gestel:

Water	7%
Elektrisiteit	15,1% (onderhewig aan NERSA goedkeuring)
Vullisverwydering	20%
Riolering	7%

Ten opsigte van die eiendomsbelasting, word 'n verhoogde inkomste van 10% geprojekter op die nuwe waardasie rol wat met ingang vanaf 1 Julie 2023 geïmplementeer sal word.

Speaker, die konsepbegroting was aan die publiek voorgelê en nadat verskeie insette verkry was, word die finale begroting nou aan die Raad voorgelê.

In conclusion, I would like to thank the Budget Steering Committee under the leadership of Councillor Daniels, the Municipal Manager, the Chief Financial Officer and the staff in the Strategic Services Department and Budget Office, Directors and other personnel who were involved in compiling the budget and related documents.

I thank you.

ALDERMAN RAY VAN ROOY  
EXECUTIVE MAYOR

## 1.2 Council Resolution

- 1) The Council of Bergrivier Municipality, acting in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - a) The annual budget of the municipality for the financial year 2023/24 and the multi-year and single-year capital appropriations as set out in the following tables:
    - i) Budgeted Financial Performance (revenue and expenditure by standard classification) – Table A2;
    - ii) Budgeted Financial Performance (revenue and expenditure by municipal vote) – Table A3;
    - iii) Budgeted Financial Performance (revenue by source and expenditure by type) – Table A4; and
    - iv) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source – Table A5.
  - b) The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - i) Budgeted Financial Position – Table A6;
    - ii) Budgeted Cash Flows – Table A7;
    - iii) Cash backed reserves and accumulated surplus reconciliation – Table A8;
    - iv) Asset management – Table A9; and
    - v) Basic service delivery measurement – Table A10.
- 2) The Council of Bergrivier Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2023:
  - a) the tariffs for property rates,
  - b) the tariffs for electricity,
  - c) the tariffs for the supply of water
  - d) the tariffs for sanitation services
  - e) the tariffs for solid waste services
- 3) The Council of Bergrivier Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2023 the tariffs for other services as contained in the tariff list included in the budget document.
- 4) That Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that may change from that stated in the tariff listing.
- 5) To give proper effect to the municipality's annual budget, the Council of Bergrivier Municipality approves:
  - a) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of section 8 of the Municipal Budget and Reporting Regulations.



- b) That the municipality be permitted to enter into long-term loans for the funding of the capital programmes in respect of the 2023/24 financial year limited to an amount of R 30,910 million in terms of Section 46 of the Municipal Finance Management Act.
  - c) That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.
- 6) That the Council of Bergvriër Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts the following existing and new policies:
- a) Asset management policy
  - b) Cash Management and Investment policy
  - c) Credit control and Debt collection policy
  - d) Indigent policy
  - e) Property Rates policy and By-law
  - f) Tariff policy
  - g) Virement policy
  - h) Supply Chain Management policy
  - i) Borrowing Policy
  - j) Funding, Reserves and Long-Term Financial Planning Policy
  - k) Budget Implementation and Monitoring Policy
  - l) Petty Cash Policy
  - m) Creditors councillors and staff payment policy
  - n) Cost Containment policy
  - o) Preferential Procurement Policy
  - p) Community Upliftment Policy
  - q) Reduction plan for Consultants
  - r) UIFW Policy
  - s) Writing off of Irrecoverable Debt Policy
  - t) Inventory Management Policy
- 7) That the service level standards attached as Annexure “D” be approved.
- 8) That where the tariff and other policy revisions necessitate amendments to relevant By-laws, the amendments be effected and made public in accordance with Section 75A of the Municipal Systems Act, (Act 32 of 2000)
- 9) That the staff establishment and organogram be revised to make provision for all approved posts that are budgeted for.

### 1.3 Executive Summary

Section 16(1) of the Municipal Finance Management Act (MFMA) stipulates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

In order to achieve this the draft budget must be tabled at least 90 days before the start of the financial year. Over the years it has become extremely difficult to balance the needs of the community with the limited resources. The Budget Steering Committee was again confronted with tough choices in trying to strike a balance between quality service delivery and affordability of the municipal bill. During the preparation of the draft budget, it was again reiterated that the fiscal model for local government is outdated and inadequate to provide the required levels of support to fulfil the needs of our communities.

The Budget Steering Committee adopted a set of budget guidelines at its meeting held during November 2022. These budget guidelines were aimed at setting the scene and providing strategic direction to budget holders in the preparation of their budgets. The guidelines provided inter alia for consideration of the following broad principles in compiling the 2023/24 budget:

- Reducing cost without jeopardising service levels or productivity, i.e. spend money economically receiving optimal value for every rand spent and reducing wastage.
- The Budget must contribute to achieving strategic objectives
- Tariffs must make provision for depreciation and reserves, must be cost-reflective and affordable.
- Project plans must commence before the start of the financial year to ensure 100% capital spending
- Improving our overall financial position as envisaged in the Long Term Financial Plan
- Budgets must aim at growing our rates base and developing the local economy
- Collection Rate must increase to 96%
- Greater participation/partnerships must be sourced from the private sector in relation to infrastructure development and maintenance

National Treasury issued MFMA Circular No 122 on 9 December 2022 and No 123 on 3 March 2023, to guide the compilation of the 2023/24 MTREF. In line with MFMA circular 122 and 123, municipalities must consider the following when compiling the 2023/24 MTREF budgets:

The economic outlook faces a range of risks, including weaker-than-expected global growth, inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure. Considering these risks, a prudent approach must be followed when preparing the budget and the focus must be on becoming energy resilient. It is also critical to continue to build on ensuring that Bergrivier Municipality is financially sustainable and can render services in a sustainable manner.

Municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key “game changers”. These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed. Another key game changer is to

ensure that Bergrivier Municipality adopts and implement an energy plan which will put us in a position to render uninterrupted services but also to protect our revenue streams.

### **Key focus areas for the 2023/24 budget process**

Over the 2023 MTEF period, conditional grant allocations to municipalities will grow below inflation.

The local government equitable share increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 MTEF period.

National Treasury acknowledges that Municipalities face a difficult fiscal environment. This is exacerbated and compounded by slower growth in transfers from national grants. The weak economic growth puts pressure on the consumers' ability to pay for services. While Bergrivier Municipality is not facing any liquidity challenges, we must continue to adopt funded budgets and reduce non-priority spending.

It was also clearly articulated by the National Treasury that municipalities must use the restriction/interruption of supply of services as a collection tool. To strengthen our revenue base and increase revenue, it is suggested that a wheeling framework be developed to allow for the transmission of revenue across the municipal networks.

National Treasury's MFMA Circular No. 122 and 123 was used to guide the compilation of the 2023/24 MTREF.

Municipalities are under pressure to generate and collect revenue for service delivered. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Automate business services where possible to increase efficiencies and lower customer costs;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

The main challenges experienced during the compilation of the 2023/24 MTREF can be summarised as follows:

- The lingering effect that Covid -19 has had on the Global, National, Provincial and Local economy.
- The war in the Ukraine and the impact that it has on commodity prices and the markets.
- The decline in economic growth.
- The stagnant economy and slow economic recovery.
- The electricity crises and continued load shedding that is persistently hampering economic growth and damaging investor sentiment.
- The continued rising in unemployment.
- Ageing water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the current cash flow reality of the municipality.
- The increase in the cost of bulk electricity from Eskom which is placing upward pressure on service tariffs to residents and resulting in a decline in units sold.
- The need to fill critical vacancies necessary to ensure service delivery to the community.
- The demand for services that continue to outstrip the available resources.

The following budget principles and guidelines directly informed the compilation of the 2023/2024 MTREF:

- The 2022/23 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Adjustments Budget were adopted as the upper limits for the new baselines for the 2023/24 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Cost cutting and austerity measures have been applied in all expenditure categories and value for money considerations are made when expenditure is incurred.
- Tariff and property rate increases should be affordable and should generally not exceed the growth parameters or upper limits of inflation as measured by the CPI, except where there are price increases in the input of services that are beyond the control of the municipality, for instance the continued escalation in the electricity and fuel price increase and the above average increase in specialized goods and services needed in service delivery that are subject to exchange rate fluctuations.
- For the 2023/2024 financial year tariff increases are above average as a result of prior multi-year lower than cost price increases. The municipality needs to increase tariffs sufficiently to ensure the recovery of cost of the services as well as ensuring the long term financial sustainability of the municipality.
- The strengthening of the financial position of the municipality and ensuring optimum levels of reserves as well as cash backed reserves and current provisions.
- Cost reflective tariff setting and multi-year tariff strategies where tariffs are found not to cover the cost of service rendering.
- Ensuring a cash funded budget and the strict application of prudent financial management principles.

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The following table is a consolidated overview of the proposed 2023/2024 MTREF:

**Table 1 Consolidated Overview of the 2023/24 MTREF**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Total Revenue (excluding capital transfers and contributions)		377,365	394,993	425,875	472,147	471,477	471,477	471,477	527,674	563,822	673,138
Total Expenditure		365,370	386,911	417,021	488,069	490,365	490,365	490,365	540,375	570,683	674,867
Surplus/(Deficit)		11,995	8,082	8,855	(15,923)	(18,888)	(18,888)	(18,888)	(12,701)	(6,860)	(1,729)
rs and subsidies - capital (monetary allocations)	6	20,193	19,793	20,038	24,139	23,384	23,384	23,384	49,871	22,955	20,459
rs and subsidies - capital (in-kind)	6	-	9,695	-	-	2,250	2,250	2,250	-	-	-
Surplus/(Deficit) for the year	1	32,188	37,570	28,893	8,216	6,746	6,746	6,746	37,169	16,094	18,730

Total revenue increased by R56,197,433 to an amount of R527,673,933 for the 2023/24 financial year when compared to the 2022/2023 3rd adjustments budget. This is due to additional revenue raised through increased tariffs as well as a slight recovery in the revenue raised from the letting and use of municipal facilities as well as fines revenue. For the two outer years, operational revenue will increase by 7% and 19.39 percent respectively.

Total operating expenditure for the 2023/2024 financial year has been appropriated at R540,375,275 and translates into a budgeted surplus of R37,169,267 after capital contributions.

When compared to the 2022/23 Adjustments Budget, operational expenditure has increased by R50,010,531 in 2023/24. The expenditure for the two outer years, increase with R30,307,575 and R104,184,200 respectively.

The capital budget of R102,440,609 for 2023/24 increases with 20.52 per cent when compared to the 2022/23 4<sup>th</sup> Adjustment Budget. The capital programme decreases to R73,312,652 in the 2024/25 financial year and R70,668,826 in 2025/26 financial year. Borrowing will contribute 30.17 percent of capital funding for 2023/24 and will reduce over the MTREF to ensure that gearing remains in a narrow band for the foreseeable future in accordance with the funding mix principles adopted. The balance of capital expenditure will be funded from internally generated funds and conditional grants.

Borrowing as a funding source is recommended for capital investment in respect of the replacement and refurbishment of infrastructure to underline the user-pays principle where current and future users of the service will be required to contribute to the cost associated with the raising of funding necessary to execute the programs or projects. It must be emphasized that the gearing ratio of the municipality (the ratio between debt and own revenue generated) remains sound at 22% and in a narrow band over the MTREF and is well under the maximum of the norm of 40%

## 1.4 Operating Revenue Framework

Maintaining financial stability of Bergrivier Municipality is critical to the achievement of service delivery and economic objectives. Revenue generation is fundamental in strengthening the institutional environment for the delivery of municipal basic services and infrastructure. The capacity of generating revenue is challenged by the levels of unemployment thereby impacting on the ability of the household to pay their accounts.

In terms of the MFMA, a credible and funded budget must be tabled based on realistic estimates of revenue that are consistent with budgetary resources and collection history.

For Bergrivier Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management principles are fundamental to the financial sustainability of every municipality. The reality is that we are faced with failing infrastructure, development backlogs, poverty and increasing unemployment. The expenditure required to address these challenges will inevitably always exceed available funding hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

In considering the aforementioned, a difficult decision had to be made in respect of proposed tariff increases to ensure the continuation of the quality of services and prevent a further breakdown in the provision of essential services.

The prevailing economic circumstances, and especially the long term effect that Covid -19 has had and still has on the National and Local economy are adding to the difficulties in collecting the revenue that is due to the municipality. The promotion of operational efficiencies, revenue enhancement strategies, as well as savings and austerity measures remain a priority in ensuring the availability of sufficient financial resources to fund the MTREF.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The current reality in respect of inflationary increases as well as other economic factors and price increases such as fuel price and associated taxation make it extremely difficult for municipalities to manage tariff increases within the guidelines set. It must be pointed out that the “basket of goods and services” necessary to provide municipal basic services do not necessarily correspond with the “basket of goods and services” influencing the CPI rate applicable to households in general and therefore this arbitrary prescription for tariff increases are of little value to the municipal decision making process.

Excessive increases are also likely to be counterproductive, resulting in higher levels of non-payment. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. It is nonetheless of utmost importance to balance service delivery standards on the one hand with the appropriate tariffs to render those high quality services on the other hand. It is within this framework that the Municipality has undertaken the tariff setting process in respect of service charges.

The municipality’s revenue strategy is built around the following key components:

- Strengthening the financial position of the municipality.

- Cost reflective tariff setting – The municipality is implementing the principle of cost reflective tariffs for the majority of services.
- A cost reflective tariff study for water, sewerage and refuse have been completed and various anomalies were found that has directed the municipality to perform an audit of all service points and units of service consumed or used by consumers.
- A revenue enhancement program has been implemented and the physical inspection of the service points have started with more than 8000 being surveyed to date. The revenue enhancement program will ensure that all revenue is correctly billed in accordance with the category, user type and applicable tariffs and number of service units as determined by the municipality, if correctly applied and implemented, it will ensure that consumers across the board are saved from future above average tariff increases;
- Proposed tariff increases are higher than the average tariff increases implemented over the last number of years for the 2023/24 financial year, the Electricity tariff guideline increase was determined and fixed at 15,1% for the municipality's final electricity tariff increase. Appropriate tariff increases are of essence to sustain and improve on service delivery standards and to ensure the long term financial sustainability of the municipality;
- The municipal council has adopted a principle of protecting the poor from excessive tariff increases and will therefore endeavour to limit the increase to lower income consumers in accordance with the national treasury growth parameters where possible. Subsidization of free basic services are adequate to ensure access to basic services by the poorest of the poor and most vulnerable category of consumers.
- National Treasury's guidelines and growth parameters have been taken into account where appropriate and possible and an explanation will be provided for increases higher than inflationary predictions, the municipality is however mainly guided by the actual cost of services rendering and financial sustainability considerations in its tariff decision making process.
- Efficient revenue management, which aims to ensure a minimum 95.77% annual collection rate for property rates and other key service charges;
- Budgeting for a moderate surplus at the conclusion of the MTREF to enable the municipality to build cash reserves to back statutory funds and provisions and to build an operating as well as capital replacement reserve.

The aforementioned factors collectively contribute to the financial wellbeing of the municipality and the extent to which it is executed or concluded will either aide, or impact negatively on the long term sustainability of the municipality.

It must be emphasized that, at the current trend, growing expenditure associated with the current quality and the ever escalating cost of service delivery, the municipality will find it all the more difficult to improve its financial position over the MTREF, unless catalytic economic investments and growth opportunities are garnered expediently.

The current rates base can no longer support the cost of services, especially considering the ageing infrastructure and the cost necessary in upgrading and refurbishment of service delivery

infrastructure vehicles and equipment. It is of utmost importance to factor these cost factors into the true cost of services to continue delivering high quality services to all communities.

All role-players would need to collectively contribute to ensure not only the financial sustainability of the municipality, but also the economic progression of its citizenry.

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

**Table 2 Consolidated Overview of the 2023/24 MTREF**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	117,047	125,118	144,645	160,568	149,193	149,193	149,193	168,206	185,766	202,457
Service charges - Water	2	28,752	31,980	36,020	36,807	38,726	38,726	38,726	40,832	44,000	47,195
Service charges - Waste Water Management	2	13,398	14,494	15,866	17,762	17,912	17,912	17,912	19,207	20,893	22,811
Service charges - Waste Management	2	22,238	24,134	26,650	32,567	32,565	32,565	32,565	39,604	46,162	50,496
Sale of Goods and Rendering of Services		5,534	6,442	8,997	8,586	8,769	8,769	8,769	8,951	9,441	9,665
Agency services		3,677	4,708	4,676	5,788	4,691	4,691	4,691	4,925	5,172	5,431
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		7,688	5,663	7,447	7,981	10,325	10,325	10,325	11,533	12,585	13,340
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		577	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		657	1,149	1,506	1,674	1,645	1,645	1,645	1,669	1,768	1,872
Licences and permits		114	103	85	77	57	57	57	82	87	92
Operational Revenue		270	1,013	1,307	2,739	1,985	1,985	1,985	1,957	2,039	2,170
<b>Non-Exchange Revenue</b>											
Property rates	2	74,040	78,811	84,411	94,702	94,702	94,702	94,702	104,434	111,744	118,428
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		18,021	21,744	18,737	21,286	22,922	22,922	22,922	24,344	25,522	26,796
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		63,854	74,691	68,725	73,909	75,884	75,884	75,884	92,430	89,449	162,677
Interest earned from Receivables		7,863	4,942	5,166	5,000	6,000	6,000	6,000	6,200	6,268	6,644
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		5,178	-	246	-	3,400	3,400	3,400	500	-	-
Other Gains		8,457	-	1,392	2,700	2,700	2,700	2,700	2,800	2,926	3,064
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contrib</b>		<b>377,365</b>	<b>394,993</b>	<b>425,875</b>	<b>472,147</b>	<b>471,477</b>	<b>471,477</b>	<b>471,477</b>	<b>527,674</b>	<b>563,822</b>	<b>673,138</b>



**Table 3 Growth in revenue by main revenue source**

Description	2023/24 Medium Term Revenue & Expenditure Framework				
	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26
<b>R thousand</b>					
<b>Revenue</b>					
<b>Exchange Revenue</b>					
Service charges - Electricity	168,206	10.44%	185,766	8.99%	202,457
Service charges - Water	40,832	7.76%	44,000	7.26%	47,195
Service charges - Waste Water Management	19,207	8.78%	20,893	9.18%	22,811
Service charges - Waste Management	39,604	16.56%	46,162	9.39%	50,496
Sale of Goods and Rendering of Services	8,951	5.47%	9,441	2.37%	9,665
Agency services	4,925	5.02%	5,172	5.01%	5,431
Interest earned from Current and Non Current Assets	11,533	9.12%	12,585	6.00%	13,340
Rental from Fixed Assets	1,669	5.93%	1,768	5.88%	1,872
Licences and permits	82	6.10%	87	5.75%	92
Operational Revenue	1,957	4.19%	2,039	6.42%	2,170
<b>Non-Exchange Revenue</b>					
Property rates	104,434	7.00%	111,744	5.98%	118,428
Fines, penalties and forfeits	24,344	4.84%	25,522	4.99%	26,796
Transfer and subsidies - Operational	92,430	-3.23%	89,449	81.87%	162,677
Interest earned from Receivables	6,200	1.10%	6,268	6.00%	6,644
Gains on disposal of Assets	500	-100.00%	-		-
Other Gains	2,800	4.50%	2,926	4.72%	3,064
Discontinued Operations					
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>527,674</b>		<b>563,822</b>		<b>673,138</b>

The table above illustrates the growth in sources of revenue from the first to the second and shows a huge increase from the second to the 3<sup>rd</sup> year of the MTREF caused mainly by a sharp increase in the housing grant allocations in the 3<sup>rd</sup> year of the MTREF.

**Table 4 Major sources of revenue**

The major sources of revenue for the 2023/24 financial year can be summarised as follows:

<b>Main Sources of Revenue</b>		
<b>Source</b>	<b>Amount</b>	<b>%</b>
Property Rates	104,433,703	19.79
Electricity Revenue	168,205,528	31.88
Water Revenue	40,832,312	7.74
Sanitation Revenue	19,207,000	3.64
Refuse Revenue	39,604,000	7.51
Transfers and Subsidies	92,430,391	17.52
Other Revenue	62,961,000	11.93
<b>Total</b>	<b>527,673,933</b>	<b>100.00</b>

The second largest source of revenue is Assessment rates with transfers and subsidies making up the 3<sup>rd</sup> highest contributor to the revenue basket.

## **Tariff Setting**

In terms of S74 (2) of the Municipal Systems Act the following principles should at least be considered when formulating a Tariff Policy,

- The users of municipal services should be treated equitably in the application of tariffs.
- As far as practically possible, consumers should pay in proportion to the amount of services consumed.
- All households, apart from the poor (indigent), should pay the full costs of services consumed.
- Poor households must have access to at least a minimum level of basic services through:
  - Tariffs that cover the operating and maintenance costs,
  - Special lifeline tariffs for low levels of use or consumption of services or for basic levels of service, or
  - Any other direct or indirect method of subsidization of tariff for poor households.
- Tariffs must include the cost reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement and interest charges.
- Tariffs must be set at a level to facilitate financial sustainability of the service, considering subsidisation from sources other than the service concerned.
- Provision may be made for the promotion of local economic development through a tariff for categories of the commercial and industrial users.
- The economical, efficient and effective use of resources, the recycling of wastes and other appropriate environmental objectives must be encouraged.
- The extent of subsidisation of the poor households and other categories of users should be fully disclosed.
- In terms of S74 (3) of the MSA a tariff policy may differentiate between different categories of users, debtors, service providers, services and geographical areas as long as the differentiation does not amount to unfair discrimination. In order to give full effect to this section, Section 75 (1) of the MSA provides for the municipal council to adopt by-laws.

Revenue generation is fundamental to the financial sustainability of every municipality. Tariff setting process plays a major role in ensuring desired levels of revenue. When rates, tariffs and other charges are revised, local economic conditions, input costs and the affordability of services are considered to ensure continuous service delivery.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges are revised under normal circumstances, local economic conditions, input costs and the affordability of services are taken into account to ensure the financial sustainability of the Municipality. The setting of tariffs in this budget was extremely difficult, especially taking into account the economic environment and the lingering effect that Covid -19 has on economic recovery and progress.

An overwhelming fact and consideration for this year's tariff setting was the principle of cost recovery and setting cost reflective tariffs that will support the long term financial sustainability of the municipality as well as quality of service rendering.

Municipalities also use benchmarking to ensure that the tariffs we apply are within the industry norm as operational requirements and service standards of comparable sizes and demographics

of municipalities are similar and a deviation from this norm will give an indication of whether a municipality may be heading for disaster in the application of its tariff strategy.

#### 1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rates ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be a minimum of 0,25:1. The implementation of these regulations were done in the previous budget process and the Property Rates Policy of the Municipality was amended accordingly.

The following stipulations in the Property Rates Policy are still relevant and therefore highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- For pensioners, physically and mentally disabled persons, a maximum rebate of 60 percent will be granted to owners of rate-able property. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100 percent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a relief.
- ***The municipality has decided to adjust the standard rebate to bona-fide agricultural properties downwards from 79% to 77% in an endeavour to bring it closer to the ratio determined by the Minister of Local Government as per Section 83 of the Municipal Property Rates Act in 2009, being a ratio of 0.25:1 or a 75% rebate. This phasing out of this rebate will be done over the remainder of the MTREF.***

A new general valuation roll will be implemented from 1 July 2023. A growth rate in the rates base of approximately 1.5% is anticipated in the 2023/2024 financial year. The revenue

associated with the expansion of the rates base have been factored into the revenue estimates for 2023/2024 and beyond.

In order to further increase and supplement revenue, additional sources of revenue must be explored on a continuous basis. It is also important that an environment for economic development is created through the provision of high quality reliable municipal services.

**Table 5 Comparison of Assessment rate tariff**

<b>Category</b>	<b>Current Tariff (1 July 2022)</b>	<b>Proposed Tariff (from 1 July 2023)</b>
Residential Properties	0.01135	0.00897
Municipal Properties	0.01135	0.00897
Institutional Properties	0.01135	0.00897
Agricultural	0.00238	0.00188
Commercial Properties	0.01249	0.00986
Industrial Properties	0.01249	0.00986

The assessment rates tariff is proposed to decrease with 21% due to the implementation of the new general valuation roll, which result an increase of 10% in the revenue.

The increase is higher than the upper boundary of inflationary targets for 2023/2024 but is unfortunately unavoidable to increase the tariff at the current rate proposed due to factors such as the increase in cost to render services such as the increase in the cost of labour, the fuel price increase, the increase in the price of goods and services necessary to render essential as well as community and general municipal services, the increase maintenance and operational cost of municipal facilities, equipment and infrastructure.

#### 1.4.2 Sale of Water and Impact of Tariff Increases

Although most of the summer rainfall areas received good rainfall, South Africa remain a water scarce country and faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure, the replacement of failing water mains, the installation of smart metering devices and cost-reflective tariffs will ensure that the supply challenges are managed to ensure long term sustainability. To ensure the continued levels of service delivery and to prevent disruptions in supply, the municipality has commenced with a water mains replacement program whereby R13 million has been set aside over the MTREF for the replacement program.

Since we were fortunate to have received some relief from the drought, the municipality has decided to lift water restrictions we will however continue to implement water tariffs in accordance with the guidelines from the Provincial Disaster management determination for the foreseeable future.

A cost reflective tariff study was undertaken by the municipality to determine whether the tariffs levied for the consumption of water are covering the full cost associated with the rendering of the service, it was found that it did not and that the water tariffs was restructured in the 2021/2022 financial year to ensure that the principles of applying cost reflective tariffs to cover the cost of the service were met.

The municipality is continuing with the implementation of the tariff structure that was adopted with the 2021/2022 budget to ensure the financial sustainability of the water service.

A tariff increase of 7.0 percent from 1 July 2023 for water is proposed. 6 kℓ water per month will **still only** be granted free of charge to registered indigent consumers.

**Table 6 Comparison of Commercial water tariffs**

CATEGORY	CURRENT TARIFFS 2022/2023	PROPOSED TARIFFS 2023/2024
	15% VAT Inc.	15% VAT Inc.
	Rand per kl	Rand per kl
<b>COMMERCIAL</b>		
(i) 0 to 6 kℓ per 30-day period	9.50	10.20
(ii) 7 to 20 kℓ per 30-day period	23.20	24.90
(iii) 21 to 50 kℓ per 30-day period	24.90	26.70
(iv) 51 to 100 kℓ per 30-day period	27.40	29.30
(v) 101 to 200 kℓ per 30-day period	28.70	30.70
(vi) 201 to 1000 kl per 30-day period	27.40	29.30
(vii) 1001 to 1500 kl per 30-day period	24.90	26.70
(viii) 1501 to 2000 kl per 30-day period	19.60	20.90
(ix) More than 2000 kℓ per 30-day period:	17.60	18.80

The Residential Tariff structure is as follows:

**Table 7 Comparison of Residential water tariffs**

CATEGORY	CURRENT TARIFFS 2022/2023	PROPOSED TARIFFS 2023/2024
	15% VAT Inc.	15% VAT Inc.
	Rand per kl	Rand per kl
<b>Residential</b>		
(i) 0 to 6 kℓ per 30-day period	9.50	10.20
(ii) 7 to 13 kℓ per 30-day period	20.20	21.60
(iii) 14 to 20 kℓ per 30-day period	23.90	25.60
(iv) 21 to 35 kℓ per 30-day period	29.90	31.90
(v) 36 to 50 kℓ per 30-day period	36.20	38.70
(vi) More than 50 kℓ per 30-day period:	48.20	51.60

### 1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. It has confirmed that the price increase to municipalities will equal 18.90%, this will translate into an approximate increase of 15.10% to municipal customers. The proposed tariff increase is subject to final approval from NERSA and will be implemented from 1 July 2023 as soon as final approval has been received.

It should be noted that given the nature of the continuing electricity tariff increases, it is once again expected to depress growth in electricity consumption as municipal customers are becoming more energy wise and small scale embedded generation becomes a reality, this will have a negative impact on the municipality's revenue from electricity and will put further pressure on the financial performance of the municipality in these uncertain times.

In accordance with the indigent subsidy policy of the municipality, 50 kWh of free electricity per month will only be granted to registered indigents and households with 20 Ampere connections.

### 1.4.4 Sanitation and Impact of Tariff Increases

A cost reflective tariff study was performed during the 2020/2021 financial year and the results thereof guided the municipality in determining the tariffs for the 2021/2022 financial year and beyond for sanitation services. A general tariff increase of 7 per cent for sanitation is proposed from 1 July 2023. This is based on the input cost assumptions relating to the service and the extent to which customers make use of the service. The higher than average increase is necessary as the cost associated with the service have increased exponentially over the last number of financial years and tariff increases have not kept up with the actual cost of rendering the service.

Factors adding to the cost are the continuous plundering and vandalism of the sewer infrastructure, the cost of protecting the assets, the cost to mitigate electricity outages through standby generators, the cost of monitoring the pump stations and associated purification infrastructure as well as the continued rising in the cost of labour, chemicals and electricity necessary to provide the service within the legislative requirements.

It should be noted that electricity costs contributes approximately 20 percent of waste water treatment input costs, therefore the electricity price increase makes it unavoidable to increase the sewer tariffs by more than the inflationary predictions. A general tariff increase of 7% is therefore unavoidable.

The following factors also contribute to the proposed tariff increase:

- Free sanitation will be applicable to registered indigents costing approximately R 4.194 Million
- The total revenue expected to be generated from rendering this service amounts to R 19,232,000 for the 2023/24 financial year.

**Table 8 Comparison of Sanitation tariffs**

	<b>CURRENT TARIFFS 2022/2023</b>		<b>PROPOSED TARIFFS 2023/2024</b>	
	<b>15% VAT Inc.</b>		<b>15% VAT Inc.</b>	
Sanitation	R	208.00	R	222.60

#### 1.4.5 Waste Removal and Impact of Tariff Increases

A cost reflective tariff study was performed during the 2020/2021 financial year and the results thereof were included in the 2023/2024 tariff structure for the rendering of sanitation services. A general tariff increase of 20 percent for refuse removal is proposed from 1 July 2023. This is based on the input cost assumptions relating to the service and the extent to which customers make use of the service and the volumes of refuse generated.

Consumers will therefore be assessed based on the volumes of refuse generated, especially in respect of commercial and institutional clients and the municipality will engage on a process where the volumes of refuse generated by customers are assessed and billed according to the results of the survey. This will ensure equity in respect of the charges levied versus the volumes generated for all categories of consumers.

It must be emphasized that consumers that fall within the area in which the service is rendered must in accordance with the solid waste removal by-laws make use of the service, there will thus be a charge for the rendering of the service whether refuse is collected or not, consumers are therefore encouraged not to dispose of household or business refuse themselves as it will result in a double charge being made, once for the compulsory use of the service and once for disposal at the transfer station.

The following table compares current and proposed amounts payable from 1 July 2023:

**Table 9 Comparison between current waste removal fees and increases**

	<b>CURRENT TARIFFS 2022/2023</b>		<b>PROPOSED TARIFFS 2023/2024</b>	
	<b>15% VAT Inc.</b>		<b>15% VAT Inc.</b>	
Solid Waste Removal	R	319.70		383.70

The general increase in refuse tariffs to all customers must unfortunately be raised with 20% in order to move towards cost recovery over the MTREF and to ensure that the service becomes financially viable and remains financially sustainable in the long term. The reasons for the tariff increase are as follows:

- The increase in the cost of fuel and transport of refuse to landfill sites.
- The increase in the cost of collection and recycling.

- The replacement of Refuse Compactor trucks necessary to ensure that the standards of service can be met.
- The cost of clean-up of illegal dumping and general littering in all areas.
- The cost of clean-up of transfer stations as a result of refuse being dumped in contradiction with the rules and by-laws of the municipality.
- The cost of security at transfer stations to protect municipal property plant, equipment, staff and the public in general.
- The cost associated with the rehabilitation of landfill sites that have been closed.
- The cost of adequately providing for rehabilitation cost for future rehabilitation of landfill sites.
- The increase in the general cost of materials and other related goods and services associated with refuse removal.
- The increasing cost of labour for refuse removal and clean-ups of the streets, CBD's and other open spaces on weekends.
- The increase in the cost of refuse bags provided by the municipality.

The above factors coupled with years of moderate and lower than essential increase percentages have contributed to the fact that the refuse service is not financially viable as the actual cost of service rendering have not been recovered by the tariffs charged for a number of years. The Municipality must therefore implement the sharp increase in the tariff to ensure that the service can become financially viable over the MTREF and remains sustainable over the long term.

Refuse tariffs are charged per category of consumer as per the list of tariffs attached to the budget and it must be emphasized that customers that do not fall under the definition of single residential are to be billed in accordance with the tariff applicable to business consumers.

#### 1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.



**Table 10 MBRR SA14 – Household bills**

**WC013 Bergrivier - Supporting Table SA14 Household bills**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>											
<b>Rates and services charges:</b>											
Property rates		539.15	571.52	597.26	648.01	648.01	648.01	(21.0%)	511.92	547.76	586.10
Electricity: Basic levy		218.66	232.26	266.14	286.90	286.90	286.90	14.7%	329.21	364.11	396.88
Electricity: Consumption		1,501.24	1,594.05	1,826.62	1,969.07	1,969.07	1,969.07	14.7%	2,259.01	2,498.46	2,723.32
Water: Basic levy		49.44	54.79	57.08	62.12	62.12	62.12	7.0%	66.47	71.12	76.10
Water: Consumption		487.13	509.54	532.47	577.73	577.73	577.73	7.0%	618.24	661.51	707.82
Sanitation		150.13	157.35	164.48	180.88	180.88	180.88	7.0%	193.54	207.09	221.59
Refuse removal		203.48	212.84	222.63	278.02	278.02	278.02	20.0%	333.62	383.67	410.52
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>3,149.22</b>	<b>3,332.34</b>	<b>3,666.69</b>	<b>4,002.73</b>	<b>4,002.73</b>	<b>4,002.73</b>	<b>7.7%</b>	<b>4,312.01</b>	<b>4,733.72</b>	<b>5,122.33</b>
VAT on Services		391.56	413.94	454.67	493.98	493.98	493.98	-	570.01	627.89	680.43
<b>Total large household bill:</b>		<b>3,540.78</b>	<b>3,746.28</b>	<b>4,121.36</b>	<b>4,496.71</b>	<b>4,496.71</b>	<b>4,496.71</b>	<b>8.6%</b>	<b>4,882.02</b>	<b>5,361.61</b>	<b>5,802.76</b>
<b>% increase/-decrease</b>			<b>5.8%</b>	<b>10.0%</b>	<b>9.1%</b>	<b>-</b>	<b>-</b>	<b>8.6%</b>	<b>8.6%</b>	<b>9.8%</b>	<b>8.2%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>											
<b>Rates and services charges:</b>											
Property rates		381.74	404.65	422.88	458.81	458.81	458.81	(21.0%)	362.46	387.83	414.98
Electricity: Basic levy		218.66	232.26	266.14	286.90	286.90	286.90	14.7%	329.21	364.11	396.88
Electricity: Consumption		675.33	717.19	821.81	885.89	885.89	885.89	14.7%	1,016.29	1,124.01	1,225.17
Water: Basic levy		49.44	54.79	57.08	62.12	62.12	62.12	7.0%	66.47	71.12	76.10
Water: Consumption		377.70	395.06	412.84	447.93	447.93	447.93	7.0%	479.35	512.90	548.81
Sanitation		150.13	157.35	164.48	180.88	180.88	180.88	7.0%	193.54	207.09	221.59
Refuse removal		203.48	212.84	222.63	278.02	278.02	278.02	20.0%	333.62	383.67	410.52
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>2,056.46</b>	<b>2,174.14</b>	<b>2,367.87</b>	<b>2,600.55</b>	<b>2,600.55</b>	<b>2,600.55</b>	<b>6.9%</b>	<b>2,780.94</b>	<b>3,050.73</b>	<b>3,294.04</b>
VAT on Services		251.25	265.24	286.00	275.18	275.18	275.18	-	362.77	399.44	431.86
<b>Total small household bill:</b>		<b>2,307.71</b>	<b>2,439.38</b>	<b>2,653.87</b>	<b>2,875.73</b>	<b>2,875.73</b>	<b>2,875.73</b>	<b>9.3%</b>	<b>3,143.71</b>	<b>3,450.17</b>	<b>3,725.90</b>
<b>% increase/-decrease</b>			<b>5.7%</b>	<b>8.8%</b>	<b>8.4%</b>	<b>-</b>	<b>-</b>	<b>9.3%</b>	<b>9.3%</b>	<b>9.7%</b>	<b>8.0%</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>											
<b>Rates and services charges:</b>											
Property rates		224.32	237.79	248.50	269.61	269.61	269.61	(21.0%)	212.99	227.90	243.85
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		395.16	392.22	449.43	484.50	484.50	484.50	23.9%	600.45	664.10	723.87
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		226.31	236.72	247.37	268.40	268.40	268.40	7.0%	287.24	307.35	328.86
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>845.79</b>	<b>866.73</b>	<b>945.30</b>	<b>1,022.51</b>	<b>1,022.51</b>	<b>1,022.51</b>	<b>7.6%</b>	<b>1,100.68</b>	<b>1,199.35</b>	<b>1,296.58</b>
VAT on Services		93.22	94.34	109.25	125.80	125.80	125.80	-	133.15	145.72	157.91
<b>Total small household bill:</b>		<b>939.01</b>	<b>961.07</b>	<b>1,054.55</b>	<b>1,148.31</b>	<b>1,148.31</b>	<b>1,148.31</b>	<b>7.4%</b>	<b>1,233.84</b>	<b>1,345.06</b>	<b>1,454.49</b>
<b>% increase/-decrease</b>			<b>2.3%</b>	<b>9.7%</b>	<b>8.9%</b>	<b>-</b>	<b>-</b>	<b>7.4%</b>	<b>7.4%</b>	<b>9.0%</b>	<b>8.1%</b>

**References**

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

Water

## 1.5 Operating Expenditure Framework

Bergvriër Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and informed by community needs and priorities;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure)

**Table 11 A4 – Budgeted Financial Performance**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>											
Employee related costs	2	129,923	134,495	146,035	166,890	160,343	160,343	160,343	182,396	189,516	200,911
Remuneration of councillors		6,669	6,655	6,801	6,993	6,985	6,985	6,985	7,273	7,727	8,089
Bulk purchases - electricity	2	92,751	100,415	118,995	128,498	122,498	122,498	122,498	129,216	145,626	161,354
Inventory consumed	8	17,977	17,738	15,362	17,780	23,147	23,147	23,147	23,235	24,432	25,565
Debt impairment	3	34,680	33,016	13,606	30,490	31,673	31,673	31,673	34,208	36,562	38,941
Depreciation and amortisation		19,083	21,865	27,625	28,668	30,270	30,270	30,270	32,656	34,096	34,480
Interest		15,796	15,442	17,971	19,514	21,848	21,848	21,848	26,527	26,372	27,875
Contracted services		20,712	24,525	32,895	38,447	37,335	37,335	37,335	46,526	44,749	113,047
Transfers and subsidies		6,093	5,867	6,736	7,797	8,536	8,536	8,536	9,701	8,683	9,093
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		21,685	22,530	30,995	40,287	45,025	45,025	45,025	45,832	49,989	52,443
Losses on disposal of Assets		-	2,228	-	-	-	-	-	-	-	-
Other Losses		-	2,135	-	2,705	2,705	2,705	2,705	2,805	2,931	3,069
<b>Total Expenditure</b>		<b>365,370</b>	<b>386,911</b>	<b>417,021</b>	<b>488,069</b>	<b>490,365</b>	<b>490,365</b>	<b>490,365</b>	<b>540,375</b>	<b>570,683</b>	<b>674,867</b>

The budgeted allocation for employee related costs excluding public office bearer's remuneration for the 2023/2024 financial year totals R182,396,121 Million which equals 33.75 percent of the total operating expenditure. A provision for a 5.4% general salary increase is made for the 2023/2024 financial year, provision is also made for notch increases equalling approximately 2.4% and is applicable to employees who have not yet reached the maximum notch of their salary scales.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). There has been a provision made for an increase of 4.1% in the 2023/2024 financial year in accordance with prudent financial management principles.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R32,656,000 million for the 2023/24 financial year and equates to 6.04 percent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 4.91 per cent or R26,527,300 of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom, and water from West Coast District Municipality. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

A concerted effort is underway to curb electricity as well as water losses as it has a direct bearing on the revenue streams of the municipality and ultimately the financial sustainability. The revenue enhancement program will aid in ensuring accurate services and billing data and assist in the reduction of unaccounted consumption of water and electricity. Inaccessible meters are being replaced by smart meters that will enable reading to be taken without access to properties being necessary, meters will also be moved to outside property fences to ensure accessibility by meter readers, the water By-laws will be amended to include the requirement. The municipality has budgeted R1.370 million for either the replacement or installation of new and enhanced metering equipment for the 2023/2024 financial year.

Other expenditure comprises of various line items relating to the daily operations of the municipality.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 12 2022/23 Medium-term capital budget per vote**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		4,041	-	98	120	120	120	120	750	3,000	3,700
Vote 4 - Technical Services		3,938	5,834	2,319	18,830	12,086	12,086	12,086	35,613	21,596	18,248
Vote 5 - Technical Services (Continued)		1,770	2,666	3,000	8,491	8,139	8,139	8,139	14,931	11,358	19,420
Vote 6 - Community Services		185	233	661	-	552	552	552	300	-	400
Vote 7 - Community Services (Continued)		44	126	138	160	100	100	100	615	2,629	2,281
<b>Capital multi-year expenditure sub-total</b>	7	<b>9,977</b>	<b>8,859</b>	<b>6,216</b>	<b>27,601</b>	<b>20,996</b>	<b>20,996</b>	<b>20,996</b>	<b>52,209</b>	<b>38,582</b>	<b>44,049</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		161	589	46	450	2,191	2,191	2,191	1,460	30	30
Vote 2 - Finance		220	1,329	2,208	960	495	495	495	500	20	-
Vote 3 - Corporate Services		1,411	2,458	2,496	2,145	2,181	2,181	2,181	2,025	1,355	-
Vote 4 - Technical Services		14,321	21,188	22,249	21,260	28,073	28,073	28,073	8,671	17,273	11,729
Vote 5 - Technical Services (Continued)		9,355	6,107	12,351	21,988	22,571	22,571	22,571	25,261	11,582	10,151
Vote 6 - Community Services		4,352	6,429	4,629	5,945	5,350	5,350	5,350	8,605	3,375	3,300
Vote 7 - Community Services (Continued)		1,087	2,691	2,599	2,805	3,145	3,145	3,145	3,710	1,095	1,410
<b>Capital single-year expenditure sub-total</b>		<b>30,905</b>	<b>40,790</b>	<b>46,578</b>	<b>55,553</b>	<b>64,005</b>	<b>64,005</b>	<b>64,005</b>	<b>50,231</b>	<b>34,730</b>	<b>26,620</b>
<b>Total Capital Expenditure - Vote</b>		<b>40,882</b>	<b>49,649</b>	<b>52,794</b>	<b>83,155</b>	<b>85,001</b>	<b>85,001</b>	<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>

The Capital Budget increases from R85,001 million in 2022/23 to R102,441 million in 2023/24, thereafter it reduces to R73,313 million for 2024/2025 and R70,669 million in the 2025/2026 financial year, and the total amount of capital investment over the MTREF amounts to R 246,422 million.

Total new assets represent 71.79 percent of the total capital budget, upgrading and renewal of assets represent 28.21 percent or R28,903 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management). In addition to the Table A9, Tables SA34a, b, c, d, e provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. The future operational costs and revenues associated with the capital programme have been included in Table SA35.

## 1.7 Annual Budget Tables

### Table 13 MBRR A1 - Budget Summary

#### WC013 Bergrivier - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	74,040	78,811	84,411	94,702	94,702	94,702	94,702	104,434	111,744	118,428
Service charges	181,435	195,726	223,181	247,704	238,396	238,396	238,396	267,849	296,821	322,959
Investment revenue	7,688	5,663	7,447	7,981	10,325	10,325	10,325	11,533	12,585	13,340
Transfer and subsidies - Operational	63,854	74,691	68,725	73,909	75,884	75,884	75,884	92,430	89,449	162,677
Other own revenue	50,348	40,101	42,112	47,850	52,169	52,169	52,169	51,428	53,223	55,734
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>377,365</b>	<b>394,993</b>	<b>425,875</b>	<b>472,147</b>	<b>471,477</b>	<b>471,477</b>	<b>471,477</b>	<b>527,674</b>	<b>563,822</b>	<b>673,138</b>
Employee costs	129,923	134,495	146,035	166,890	160,343	160,343	160,343	182,396	189,516	200,911
Remuneration of councillors	6,669	6,655	6,801	6,993	6,985	6,985	6,985	7,273	7,727	8,089
Depreciation and amortisation	19,083	21,865	27,625	28,668	30,270	30,270	30,270	32,656	34,096	34,480
Interest	15,796	15,442	17,971	19,514	21,848	21,848	21,848	26,527	26,372	27,875
Inventory consumed and bulk purchases	110,728	118,153	134,357	146,278	145,645	145,645	145,645	152,451	170,058	186,919
Transfers and subsidies	6,093	5,867	6,736	7,797	8,536	8,536	8,536	9,701	8,683	9,093
Other expenditure	77,077	84,435	77,497	111,929	116,738	116,738	116,738	129,371	134,231	207,500
<b>Total Expenditure</b>	<b>365,370</b>	<b>386,911</b>	<b>417,021</b>	<b>488,069</b>	<b>490,365</b>	<b>490,365</b>	<b>490,365</b>	<b>540,375</b>	<b>570,683</b>	<b>674,867</b>
<b>Surplus/(Deficit)</b>	<b>11,995</b>	<b>8,082</b>	<b>8,855</b>	<b>(15,923)</b>	<b>(18,888)</b>	<b>(18,888)</b>	<b>(18,888)</b>	<b>(12,701)</b>	<b>(6,860)</b>	<b>(1,729)</b>
Transfers and subsidies - capital (monetary allocations)	20,193	19,793	20,038	24,139	23,384	23,384	23,384	49,871	22,955	20,459
Transfers and subsidies - capital (in-kind)	-	9,695	-	-	2,250	2,250	2,250	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>32,188</b>	<b>37,570</b>	<b>28,893</b>	<b>8,216</b>	<b>6,746</b>	<b>6,746</b>	<b>6,746</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>32,188</b>	<b>37,570</b>	<b>28,893</b>	<b>8,216</b>	<b>6,746</b>	<b>6,746</b>	<b>6,746</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>40,882</b>	<b>49,649</b>	<b>52,794</b>	<b>83,155</b>	<b>85,001</b>	<b>85,001</b>	<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>
Transfers recognised - capital	20,193	19,793	20,038	24,139	25,634	25,634	25,634	49,871	22,955	20,459
Borrowing	6,306	14,504	15,757	40,000	39,630	39,630	39,630	30,910	29,700	29,700
Internally generated funds	14,383	15,352	16,999	19,016	19,737	19,737	19,737	21,660	20,658	20,510
<b>Total sources of capital funds</b>	<b>40,882</b>	<b>49,649</b>	<b>52,794</b>	<b>83,155</b>	<b>85,001</b>	<b>85,001</b>	<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>
<b>Financial position</b>										
Total current assets	193,843	221,549	236,059	204,840	227,435	227,435	227,435	228,345	235,035	246,748
Total non current assets	424,375	477,967	507,809	561,288	562,540	562,540	562,540	632,325	671,542	707,730
Total current liabilities	59,333	70,424	68,055	67,034	68,503	68,503	68,503	72,523	76,557	80,689
Total non current liabilities	157,351	190,738	208,567	251,002	247,481	247,481	247,481	276,986	302,765	327,804
Community wealth/Equity	401,533	438,353	467,246	448,091	473,991	473,991	473,991	511,160	527,255	545,985
<b>Cash flows</b>										
Net cash from (used) operating	67,949	81,245	48,422	49,932	42,262	42,262	42,262	88,183	68,498	72,978
Net cash from (used) investing	(39,194)	(50,973)	(53,716)	(83,155)	(79,351)	(79,351)	(79,351)	(101,941)	(73,313)	(70,669)
Net cash from (used) financing	1,620	9,562	7,237	30,313	27,726	27,726	27,726	16,945	13,755	11,775
<b>Cash/cash equivalents at the year end</b>	<b>101,812</b>	<b>141,646</b>	<b>143,588</b>	<b>123,537</b>	<b>134,225</b>	<b>134,225</b>	<b>134,225</b>	<b>137,413</b>	<b>146,354</b>	<b>160,439</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	101,812	141,646	143,588	123,537	134,225	134,225	134,225	137,413	146,354	160,439
Application of cash and investments	(15,698)	(1,595)	(15,634)	(11,419)	(19,229)	(19,229)	(19,229)	(17,252)	(15,277)	(13,145)
<b>Balance - surplus (shortfall)</b>	<b>117,511</b>	<b>143,241</b>	<b>159,222</b>	<b>134,956</b>	<b>153,454</b>	<b>153,454</b>	<b>153,454</b>	<b>154,665</b>	<b>161,632</b>	<b>173,584</b>
<b>Asset management</b>										
Asset register summary (WDV)	424,074	473,537	501,556	556,858	556,287	556,287	626,072	626,072	665,288	701,477
Depreciation	19,083	21,865	27,625	28,668	30,270	30,270	32,656	32,656	34,096	34,480
Renewal and Upgrading of Existing Assets	17,895	27,057	31,102	33,009	36,699	36,699	28,903	28,903	35,568	25,299
Repairs and Maintenance	22,461	22,274	25,716	28,485	29,795	29,795	33,753	33,753	37,227	39,170
<b>Free services</b>										
Cost of Free Basic Services provided	11,262	12,516	12,447	15,092	14,592	14,592	17,054	17,054	18,857	20,097
Revenue cost of free services provided	2,970	3,533	4,540	5,789	4,689	4,689	5,848	5,848	6,257	6,630
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**Table 14 MBRR A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

WC013 Bergrivier - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		142,541	137,868	143,007	173,145	181,597	181,597	194,809	208,233	223,654
Executive and council		34,720	39,230	33,904	57,657	57,600	57,600	63,604	69,776	76,914
Finance and administration		107,821	98,638	109,102	115,488	123,997	123,997	131,205	138,457	146,740
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		33,618	38,526	32,470	44,934	37,863	37,863	74,305	46,201	114,376
Community and social services		7,591	9,269	9,304	8,877	9,505	9,505	9,113	9,178	9,597
Sport and recreation		3,849	3,225	5,259	5,618	5,314	5,314	5,518	5,845	5,853
Public safety		17,952	20,435	17,528	21,267	22,518	22,518	24,450	24,701	25,937
Housing		4,226	5,597	380	9,172	526	526	35,224	6,477	72,989
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		25,449	26,618	26,534	25,559	27,760	27,760	28,644	24,895	25,883
Planning and development		20,224	15,390	19,633	17,913	21,192	21,192	19,783	19,507	20,221
Road transport		5,224	11,228	6,901	7,646	6,568	6,568	8,861	5,388	5,662
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		195,949	221,469	243,902	252,647	249,891	249,891	279,787	307,448	329,684
Energy sources		121,225	132,357	147,769	160,753	153,523	153,523	168,802	195,373	208,100
Water management		30,870	35,055	38,232	40,743	42,662	42,662	51,665	44,883	48,131
Waste water management		16,510	23,578	24,727	17,786	17,936	17,936	19,232	20,920	22,840
Waste management		27,344	30,478	33,174	33,365	35,770	35,770	40,088	46,272	50,613
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>397,558</b>	<b>424,481</b>	<b>445,913</b>	<b>496,285</b>	<b>497,110</b>	<b>497,110</b>	<b>577,545</b>	<b>586,777</b>	<b>693,597</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		92,479	99,514	91,701	118,962	116,425	116,425	125,115	130,211	136,714
Executive and council		22,025	20,577	23,509	26,211	26,821	26,821	29,478	29,202	30,612
Finance and administration		69,078	77,624	67,078	91,251	88,444	88,444	94,060	99,298	104,292
Internal audit		1,376	1,314	1,114	1,500	1,160	1,160	1,577	1,711	1,809
<i>Community and public safety</i>		58,576	64,719	65,398	76,550	75,091	75,091	92,609	93,193	164,433
Community and social services		8,939	10,506	12,272	13,873	13,834	13,834	15,044	15,970	16,840
Sport and recreation		16,902	15,692	18,282	22,168	20,870	20,870	24,400	26,185	27,621
Public safety		26,872	31,425	32,701	36,852	38,464	38,464	40,474	42,291	44,571
Housing		5,863	7,095	2,143	3,657	1,922	1,922	12,690	8,746	75,402
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		40,086	40,956	46,343	52,940	53,893	53,893	61,122	60,847	64,277
Planning and development		11,526	11,640	15,403	17,411	18,235	18,235	22,303	20,601	21,698
Road transport		28,560	29,316	30,940	35,529	35,658	35,658	38,819	40,246	42,579
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		174,230	181,722	213,579	239,618	244,955	244,955	261,530	286,432	309,444
Energy sources		112,166	117,169	135,169	150,339	147,549	147,549	158,727	175,832	193,298
Water management		21,182	19,131	23,469	23,509	29,006	29,006	30,035	31,055	32,767
Waste water management		9,222	11,839	10,395	15,219	15,355	15,355	17,461	18,482	19,261
Waste management		31,660	33,583	44,545	50,551	53,045	53,045	55,307	61,064	64,117
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>365,370</b>	<b>386,911</b>	<b>417,021</b>	<b>488,069</b>	<b>490,365</b>	<b>490,365</b>	<b>540,375</b>	<b>570,683</b>	<b>674,867</b>
<b>Surplus/(Deficit) for the year</b>		<b>32,188</b>	<b>37,570</b>	<b>28,893</b>	<b>8,216</b>	<b>6,746</b>	<b>6,746</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>

**Table 15 MBRR A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

WC013 Bergrevier - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>	1									
Vote 1 - Municipal Manager		35,165	39,436	34,300	57,657	59,627	59,627	64,704	69,926	77,059
Vote 2 - Finance		98,244	96,792	106,273	109,990	116,399	116,399	126,318	133,849	141,892
Vote 3 - Corporate Services		12,827	1,898	1,664	3,248	3,213	3,213	3,254	3,407	3,574
Vote 4 - Technical Services		166,648	184,487	203,571	216,139	214,720	214,720	233,142	262,419	280,294
Vote 5 - Technical Services (Continued)		47,380	58,633	62,959	58,529	60,598	60,598	70,897	65,803	70,971
Vote 6 - Community Services		33,446	40,054	31,986	45,290	37,340	37,340	73,819	45,637	114,070
Vote 7 - Community Services (Continued)		3,849	3,180	5,160	5,432	5,214	5,214	5,411	5,736	5,737
<b>Total Revenue by Vote</b>	2	<b>397,558</b>	<b>424,481</b>	<b>445,913</b>	<b>496,285</b>	<b>497,110</b>	<b>497,110</b>	<b>577,545</b>	<b>586,777</b>	<b>693,597</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Municipal Manager		26,952	25,390	28,342	32,593	33,513	33,513	36,719	37,135	38,967
Vote 2 - Finance		35,919	39,481	31,997	46,098	43,887	43,887	43,497	43,956	46,421
Vote 3 - Corporate Services		27,539	28,892	28,839	38,156	37,162	37,162	41,927	44,120	46,454
Vote 4 - Technical Services		182,893	194,020	223,874	250,939	250,816	250,816	272,852	297,195	320,697
Vote 5 - Technical Services (Continued)		30,404	30,970	33,865	38,728	44,362	44,362	47,911	49,977	52,495
Vote 6 - Community Services		52,843	59,820	59,837	69,426	68,774	68,774	84,159	84,062	154,812
Vote 7 - Community Services (Continued)		8,821	8,339	10,267	12,129	11,851	11,851	13,310	14,239	15,021
<b>Total Expenditure by Vote</b>	2	<b>365,370</b>	<b>386,911</b>	<b>417,021</b>	<b>488,069</b>	<b>490,365</b>	<b>490,365</b>	<b>540,375</b>	<b>570,683</b>	<b>674,867</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>32,188</b>	<b>37,570</b>	<b>28,893</b>	<b>8,216</b>	<b>6,746</b>	<b>6,746</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>

It is evident from the table herein above that the bulk of municipal spending is aimed at basic service delivery as the Technical Services Vote under which these services resort contribute 59.35 % of total operational expenditure, Community Services contribute 16.71 % of expenditure Institutional, Financial and Support Services make up the remainder of operational expenses.

**Table 16 MBRR A4 - Budgeted Financial Performance (revenue and expenditure)**

**WC013 Bergvriev - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	117,047	125,118	144,645	160,568	149,193	149,193	149,193	168,206	185,766	202,457
Service charges - Water	2	28,752	31,980	36,020	36,807	38,726	38,726	38,726	40,832	44,000	47,195
Service charges - Waste Water Management	2	13,398	14,494	15,866	17,762	17,912	17,912	17,912	19,207	20,893	22,811
Service charges - Waste Management	2	22,238	24,134	26,650	32,567	32,565	32,565	32,565	39,604	46,162	50,496
Sale of Goods and Rendering of Services		5,534	6,442	8,997	8,586	8,769	8,769	8,769	8,951	9,441	9,665
Agency services		3,677	4,708	4,676	5,788	4,691	4,691	4,691	4,925	5,172	5,431
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		7,688	5,663	7,447	7,981	10,325	10,325	10,325	11,533	12,585	13,340
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		577	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		657	1,149	1,506	1,674	1,645	1,645	1,645	1,669	1,768	1,872
Licences and permits		114	103	85	77	57	57	57	82	87	92
Operational Revenue		270	1,013	1,307	2,739	1,985	1,985	1,985	1,957	2,039	2,170
<b>Non-Exchange Revenue</b>											
Property rates	2	74,040	78,811	84,411	94,702	94,702	94,702	94,702	104,434	111,744	118,428
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		18,021	21,744	18,737	21,286	22,922	22,922	22,922	24,344	25,522	26,796
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		63,854	74,691	68,725	73,909	75,884	75,884	75,884	92,430	89,449	162,677
Interest earned from Receivables		7,863	4,942	5,166	5,000	6,000	6,000	6,000	6,200	6,268	6,644
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		5,178	-	246	-	3,400	3,400	3,400	500	-	-
Other Gains		8,457	-	1,392	2,700	2,700	2,700	2,700	2,800	2,926	3,064
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contrib</b>		<b>377,365</b>	<b>394,993</b>	<b>425,875</b>	<b>472,147</b>	<b>471,477</b>	<b>471,477</b>	<b>471,477</b>	<b>527,674</b>	<b>563,822</b>	<b>673,138</b>
<b>Expenditure</b>											
Employee related costs	2	129,923	134,495	146,035	166,890	160,343	160,343	160,343	182,396	189,516	200,911
Remuneration of councillors		6,669	6,665	6,801	6,993	6,985	6,985	6,985	7,273	7,727	8,089
Bulk purchases - electricity	2	92,751	100,415	118,995	128,498	122,498	122,498	122,498	129,216	145,626	161,354
Inventory consumed	8	17,977	17,738	15,362	17,780	23,147	23,147	23,147	23,235	24,432	25,565
Debt impairment	3	34,680	33,016	13,606	30,490	31,673	31,673	31,673	34,208	36,562	38,941
Depreciation and amortisation		19,083	21,865	27,625	28,668	30,270	30,270	30,270	32,656	34,096	34,480
Interest		15,796	15,442	17,971	19,514	21,848	21,848	21,848	26,527	26,372	27,875
Contracted services		20,712	24,525	32,895	38,447	37,335	37,335	37,335	46,526	44,749	113,047
Transfers and subsidies		6,093	5,867	6,736	7,797	8,536	8,536	8,536	9,701	8,683	9,093
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		21,685	22,530	30,995	40,287	45,025	45,025	45,025	45,832	49,989	52,443
Losses on disposal of Assets		-	2,228	-	-	-	-	-	-	-	-
Other Losses		-	2,135	-	2,705	2,705	2,705	2,705	2,805	2,931	3,069
<b>Total Expenditure</b>		<b>365,370</b>	<b>386,911</b>	<b>417,021</b>	<b>488,069</b>	<b>490,365</b>	<b>490,365</b>	<b>490,365</b>	<b>540,375</b>	<b>570,683</b>	<b>674,867</b>
<b>Surplus/(Deficit)</b>		<b>11,995</b>	<b>8,082</b>	<b>8,855</b>	<b>(15,923)</b>	<b>(18,888)</b>	<b>(18,888)</b>	<b>(18,888)</b>	<b>(12,701)</b>	<b>(6,860)</b>	<b>(1,729)</b>
Transfers and subsidies - capital (monetary)	6	20,193	19,793	20,038	24,139	23,384	23,384	23,384	49,871	22,955	20,459
Transfers and subsidies - capital (in-kind)	6	-	9,695	-	-	2,250	2,250	2,250	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>32,188</b>	<b>37,570</b>	<b>28,893</b>	<b>8,216</b>	<b>6,746</b>	<b>6,746</b>	<b>6,746</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>32,188</b>	<b>37,570</b>	<b>28,893</b>	<b>8,216</b>	<b>6,746</b>	<b>6,746</b>	<b>6,746</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>32,188</b>	<b>37,570</b>	<b>28,893</b>	<b>8,216</b>	<b>6,746</b>	<b>6,746</b>	<b>6,746</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>32,188</b>	<b>37,570</b>	<b>28,893</b>	<b>8,216</b>	<b>6,746</b>	<b>6,746</b>	<b>6,746</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>



**Table 17 MBRR A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		4,041	-	98	120	120	120	120	750	3,000	3,700
Vote 4 - Technical Services		3,938	5,834	2,319	18,830	12,086	12,086	12,086	35,613	21,596	18,248
Vote 5 - Technical Services (Continued)		1,770	2,666	3,000	8,491	8,139	8,139	8,139	14,931	11,358	19,420
Vote 6 - Community Services		185	233	661	-	552	552	552	300	-	400
Vote 7 - Community Services (Continued)		44	126	138	160	100	100	100	615	2,629	2,281
<b>Capital multi-year expenditure sub-total</b>	7	<b>9,977</b>	<b>8,859</b>	<b>6,216</b>	<b>27,601</b>	<b>20,996</b>	<b>20,996</b>	<b>20,996</b>	<b>52,209</b>	<b>38,582</b>	<b>44,049</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		161	589	46	450	2,191	2,191	2,191	1,460	30	30
Vote 2 - Finance		220	1,329	2,208	960	495	495	495	500	20	-
Vote 3 - Corporate Services		1,411	2,458	2,496	2,145	2,181	2,181	2,181	2,025	1,355	-
Vote 4 - Technical Services		14,321	21,188	22,249	21,260	28,073	28,073	28,073	8,671	17,273	11,729
Vote 5 - Technical Services (Continued)		9,355	6,107	12,351	21,988	22,571	22,571	22,571	25,261	11,582	10,151
Vote 6 - Community Services		4,352	6,429	4,629	5,945	5,350	5,350	5,350	8,605	3,375	3,300
Vote 7 - Community Services (Continued)		1,087	2,691	2,599	2,805	3,145	3,145	3,145	3,710	1,095	1,410
<b>Capital single-year expenditure sub-total</b>		<b>30,905</b>	<b>40,790</b>	<b>46,578</b>	<b>55,553</b>	<b>64,005</b>	<b>64,005</b>	<b>64,005</b>	<b>50,231</b>	<b>34,730</b>	<b>26,620</b>
<b>Total Capital Expenditure - Vote</b>		<b>40,882</b>	<b>49,649</b>	<b>52,794</b>	<b>83,155</b>	<b>85,001</b>	<b>85,001</b>	<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>2,522</b>	<b>3,139</b>	<b>4,987</b>	<b>4,798</b>	<b>4,561</b>	<b>4,561</b>	<b>4,561</b>	<b>8,450</b>	<b>7,731</b>	<b>5,308</b>
Executive and council		80	27	46	140	140	140	140	20	30	30
Finance and administration		2,442	3,111	4,941	4,658	4,421	4,421	4,421	8,430	7,701	5,278
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>5,668</b>	<b>9,478</b>	<b>8,026</b>	<b>8,910</b>	<b>9,146</b>	<b>9,146</b>	<b>9,146</b>	<b>12,730</b>	<b>7,099</b>	<b>7,391</b>
Community and social services		1,431	4,131	2,420	1,910	2,754	2,754	2,754	2,420	1,175	2,300
Sport and recreation		2,256	4,059	4,959	4,925	4,387	4,387	4,387	5,714	5,094	3,691
Public safety		1,954	1,288	648	1,060	992	992	992	1,536	830	1,400
Housing		27	-	-	1,015	1,014	1,014	1,014	3,060	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>15,438</b>	<b>18,129</b>	<b>18,661</b>	<b>26,260</b>	<b>21,792</b>	<b>21,792</b>	<b>21,792</b>	<b>36,218</b>	<b>14,685</b>	<b>16,090</b>
Planning and development		4,232	2,154	118	13,360	8,237	8,237	8,237	31,463	2,140	2,120
Road transport		11,206	15,975	18,542	12,900	13,554	13,554	13,554	4,755	12,545	13,970
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>17,255</b>	<b>18,903</b>	<b>21,119</b>	<b>43,187</b>	<b>49,502</b>	<b>49,502</b>	<b>49,502</b>	<b>45,043</b>	<b>43,798</b>	<b>41,880</b>
Energy sources		5,324	8,684	4,733	8,020	12,605	12,605	12,605	6,736	20,398	9,098
Water management		1,769	2,371	5,141	24,250	24,338	24,338	24,338	22,757	12,057	18,754
Waste water management		9,356	6,403	10,210	6,230	6,371	6,371	6,371	13,935	9,633	9,967
Waste management		807	1,446	1,035	4,688	6,188	6,188	6,188	1,615	1,710	4,061
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>40,882</b>	<b>49,649</b>	<b>52,794</b>	<b>83,155</b>	<b>85,001</b>	<b>85,001</b>	<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>
<b>Funded by:</b>											
National Government		14,291	15,736	19,324	15,971	16,611	16,611	16,611	22,362	21,955	18,959
Provincial Government		5,862	3,397	480	7,640	4,541	4,541	4,541	27,269	1,000	1,500
District Municipality		-	-	-	-	1,583	1,583	1,583	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		41	660	234	528	648	648	648	240	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	2,250	2,250	2,250	-	-	-
<b>Transfers recognised - capital</b>	4	<b>20,193</b>	<b>19,793</b>	<b>20,038</b>	<b>24,139</b>	<b>25,634</b>	<b>25,634</b>	<b>25,634</b>	<b>49,871</b>	<b>22,955</b>	<b>20,459</b>
<b>Borrowing</b>	6	<b>6,306</b>	<b>14,504</b>	<b>15,757</b>	<b>40,000</b>	<b>39,630</b>	<b>39,630</b>	<b>39,630</b>	<b>30,910</b>	<b>29,700</b>	<b>29,700</b>
<b>Internally generated funds</b>		<b>14,383</b>	<b>15,352</b>	<b>16,999</b>	<b>19,016</b>	<b>19,737</b>	<b>19,737</b>	<b>19,737</b>	<b>21,660</b>	<b>20,658</b>	<b>20,510</b>
<b>Total Capital Funding</b>	7	<b>40,882</b>	<b>49,649</b>	<b>52,794</b>	<b>83,155</b>	<b>85,001</b>	<b>85,001</b>	<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>

**Table 18 MBRR A6 - Budgeted Financial Position**

**WC013 Bergrivier - Table A6 Budgeted Financial Position**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		101,812	141,646	143,588	123,537	134,225	134,225	134,225	137,413	146,354	160,439
Trade and other receivables from exchange transactions	1	54,009	32,928	43,633	40,746	43,051	43,051	43,051	40,676	38,320	35,837
Receivables from non-exchange transactions	1	35,844	43,342	45,456	36,930	46,781	46,781	46,781	46,883	46,993	47,108
Current portion of non-current receivables		6	2,516	2,409	2,516	2,409	2,409	2,409	2,409	2,409	2,409
Inventory	2	2,124	1,085	955	1,080	950	950	950	945	940	935
VAT		-	-	-	-	-	-	-	-	-	-
Other current assets		48	31	18	31	18	18	18	18	18	18
<b>Total current assets</b>		<b>193,843</b>	<b>221,549</b>	<b>236,059</b>	<b>204,840</b>	<b>227,435</b>	<b>227,435</b>	<b>227,435</b>	<b>228,345</b>	<b>235,035</b>	<b>246,748</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		14,927	14,752	14,688	15,898	15,670	15,670	15,670	18,702	18,684	18,666
Property, plant and equipment	3	404,538	455,099	483,301	536,321	537,344	537,344	537,344	603,512	643,102	679,679
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		454	454	454	454	454	454	454	454	454	454
Intangible assets		4,155	3,232	3,113	4,185	2,819	2,819	2,819	3,404	3,049	2,678
Trade and other receivables from exchange transactions		301	4,430	6,253	4,430	6,253	6,253	6,253	6,253	6,253	6,253
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>424,375</b>	<b>477,967</b>	<b>507,809</b>	<b>561,288</b>	<b>562,540</b>	<b>562,540</b>	<b>562,540</b>	<b>632,325</b>	<b>671,542</b>	<b>707,730</b>
<b>TOTAL ASSETS</b>		<b>618,217</b>	<b>699,515</b>	<b>743,868</b>	<b>766,128</b>	<b>789,975</b>	<b>789,975</b>	<b>789,975</b>	<b>860,670</b>	<b>906,576</b>	<b>954,478</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		6,072	7,879	9,657	10,082	12,299	12,299	12,299	14,360	16,340	18,320
Consumer deposits		3,885	4,319	4,786	5,114	5,181	5,181	5,181	5,576	5,971	6,366
Trade and other payables from exchange transactions	4	29,685	32,884	33,197	33,765	33,819	33,819	33,819	33,819	33,819	33,819
Trade and other payables from non-exchange transactions	5	5,033	8,753	4,687	-	-	-	-	-	-	-
Provision		14,101	15,576	15,231	18,073	16,707	16,707	16,707	18,271	19,930	21,687
VAT		557	1,013	497	-	497	497	497	497	497	497
Other current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>59,333</b>	<b>70,424</b>	<b>68,055</b>	<b>67,034</b>	<b>68,503</b>	<b>68,503</b>	<b>68,503</b>	<b>72,523</b>	<b>76,557</b>	<b>80,689</b>
<b>Non current liabilities</b>											
Financial liabilities	6	53,521	60,841	65,834	96,411	90,523	90,523	90,523	105,013	116,393	125,794
Provision	7	103,830	129,896	142,733	154,591	156,957	156,957	156,957	171,973	186,372	202,010
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>157,351</b>	<b>190,738</b>	<b>208,567</b>	<b>251,002</b>	<b>247,481</b>	<b>247,481</b>	<b>247,481</b>	<b>276,986</b>	<b>302,765</b>	<b>327,804</b>
<b>TOTAL LIABILITIES</b>		<b>216,684</b>	<b>261,162</b>	<b>276,623</b>	<b>318,036</b>	<b>315,984</b>	<b>315,984</b>	<b>315,984</b>	<b>349,510</b>	<b>379,322</b>	<b>408,493</b>
<b>NET ASSETS</b>		<b>401,533</b>	<b>438,353</b>	<b>467,246</b>	<b>448,091</b>	<b>473,991</b>	<b>473,991</b>	<b>473,991</b>	<b>511,160</b>	<b>527,255</b>	<b>545,985</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	370,424	407,244	431,877	416,982	438,623	438,623	438,623	475,792	491,886	510,616
Reserves and funds	9	31,109	31,109	35,368	31,109	35,368	35,368	35,368	35,368	35,368	35,368
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>401,533</b>	<b>438,353</b>	<b>467,246</b>	<b>448,091</b>	<b>473,991</b>	<b>473,991</b>	<b>473,991</b>	<b>511,160</b>	<b>527,255</b>	<b>545,985</b>

**Table 19 MBRR A7 - Budgeted Cash Flow Statement**

**WC013 Bergvriev - Table A7 Budgeted Cash Flows**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		67,655	78,217	83,108	89,143	89,143	89,143	89,143	102,615	109,798	116,365
Service charges		173,841	191,435	214,279	241,842	232,482	232,482	232,482	256,558	284,219	309,244
Other revenue		17,331	24,341	22,229	22,932	22,172	22,172	22,172	23,136	24,297	25,268
Transfers and Subsidies - Operational	1	63,956	73,741	64,535	73,909	74,820	74,820	74,820	92,430	89,449	162,677
Transfers and Subsidies - Capital	1	20,193	19,793	20,038	24,139	20,383	20,383	20,383	49,871	22,955	20,459
Interest		7,688	5,642	7,429	10,433	13,279	13,279	13,279	17,700	18,818	19,947
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(270,099)	(299,488)	(349,255)	(396,866)	(393,543)	(393,543)	(393,543)	(433,165)	(460,457)	(559,565)
Interest		(6,528)	(6,569)	(7,206)	(7,802)	(7,938)	(7,938)	(7,938)	(11,259)	(11,898)	(12,323)
Transfers and Subsidies	1	(6,088)	(5,867)	(6,736)	(7,797)	(8,536)	(8,536)	(8,536)	(9,701)	(8,683)	(9,093)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>67,949</b>	<b>81,245</b>	<b>48,422</b>	<b>49,932</b>	<b>42,262</b>	<b>42,262</b>	<b>42,262</b>	<b>88,183</b>	<b>68,498</b>	<b>72,978</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		5,550	751	617	-	3,400	3,400	3,400	500	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(44,744)	(51,724)	(54,333)	(83,155)	(82,751)	(82,751)	(82,751)	(102,441)	(73,313)	(70,669)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(39,194)</b>	<b>(50,973)</b>	<b>(53,716)</b>	<b>(83,155)</b>	<b>(79,351)</b>	<b>(79,351)</b>	<b>(79,351)</b>	<b>(101,941)</b>	<b>(73,313)</b>	<b>(70,669)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		6,550	15,200	14,650	40,000	39,630	39,630	39,630	30,910	29,700	29,700
Increase (decrease) in consumer deposits		220	435	467	395	395	395	395	395	395	395
<b>Payments</b>											
Repayment of borrowing		(5,150)	(6,072)	(7,880)	(10,082)	(12,299)	(12,299)	(12,299)	(14,360)	(16,340)	(18,320)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>1,620</b>	<b>9,562</b>	<b>7,237</b>	<b>30,313</b>	<b>27,726</b>	<b>27,726</b>	<b>27,726</b>	<b>16,945</b>	<b>13,755</b>	<b>11,775</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2	71,438	101,812	141,646	126,447	143,588	143,588	143,588	134,225	137,413	146,354
Cash/cash equivalents at the year end:	2	101,812	141,646	143,588	123,537	134,225	134,225	134,225	137,413	146,354	160,439

The cash flow budget shows that a decrease in cash held is anticipated for the 2022/2023 financial year where-after the liquidity position remains constant for the 2022/2023 financial year, an improvement in the liquidity position is anticipated over the MTREF although the cash resources are not yet ideal when one considers the short term provisions, reserves and funding cash backing requirements.

**Table 20 MBRR A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

**WC013 Bergvriër - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	101,812	141,646	143,588	123,537	134,225	134,225	134,225	137,413	146,354	160,439
Other current investments > 90 days		0	0	0	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>101,812</b>	<b>141,646</b>	<b>143,588</b>	<b>123,537</b>	<b>134,225</b>	<b>134,225</b>	<b>134,225</b>	<b>137,413</b>	<b>146,354</b>	<b>160,439</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		5,033	8,753	4,563	-	-	-	-	-	-	-
Unspent borrowing		345	1,540	-	-	-	-	-	-	-	-
Statutory requirements	2	557	1,013	497	-	497	497	497	497	497	497
Other working capital requirements	3	(52,742)	(44,010)	(56,063)	(42,528)	(55,095)	(55,095)	(55,095)	(53,118)	(51,143)	(49,011)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	31,109	31,109	35,368	31,109	35,368	35,368	35,368	35,368	35,368	35,368
<b>Total Application of cash and investments:</b>		<b>(15,698)</b>	<b>(1,595)</b>	<b>(15,634)</b>	<b>(11,419)</b>	<b>(19,229)</b>	<b>(19,229)</b>	<b>(19,229)</b>	<b>(17,252)</b>	<b>(15,277)</b>	<b>(13,145)</b>
<b>Surplus(shortfall)</b>		<b>117,511</b>	<b>143,241</b>	<b>159,222</b>	<b>134,956</b>	<b>153,454</b>	<b>153,454</b>	<b>153,454</b>	<b>154,665</b>	<b>161,632</b>	<b>173,584</b>

The table above indicates the cash held and the application thereof over the MTREF, from the table it is clear that there is sufficient cash resources available to cover operational as well as own funded capital expenditure over the MTREF. It is indicative that the municipality remains in a sound financial position over the MTREF.

**Table 21 MBRR A9 - Asset Management**

WC013 Bergrevier - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	22,988	22,592	21,692	50,145	48,302	48,302	73,537	37,744	45,370
<i>Roads Infrastructure</i>		247	295	1,205	1,259	100	100	6,506	100	1,300
<i>Storm water Infrastructure</i>		3,395	134	467	605	571	571	1,604	3,634	470
<i>Electrical Infrastructure</i>		-	-	-	1,500	578	578	7,136	600	950
<i>Water Supply Infrastructure</i>		-	-	1,091	21,908	16,823	16,823	18,769	5,000	13,609
<i>Sanitation Infrastructure</i>		6,213	6,503	8,382	5,558	3,350	3,350	17,321	5,520	9,371
<i>Solid Waste Infrastructure</i>		659	477	204	800	303	303	880	1,050	3,900
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		10,514	7,408	11,349	31,630	21,725	21,725	52,216	15,904	29,600
Community Facilities		4,777	3,226	1,666	1,470	3,743	3,743	3,970	1,450	2,700
Sport and Recreation Facilities		628	1,448	1,358	1,855	1,431	1,431	410	535	700
<b>Community Assets</b>		5,405	4,674	3,024	3,325	5,174	5,174	4,380	1,985	3,400
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		750	1,455	-	1,980	2,278	2,278	3,775	3,500	2,350
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		750	1,455	-	1,980	2,278	2,278	3,775	3,500	2,350
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		14	576	382	610	145	145	1,030	100	100
<b>Intangible Assets</b>		14	576	382	610	145	145	1,030	100	100
Computer Equipment		575	359	1,290	1,620	1,364	1,364	1,510	3,935	3,820
Furniture and Office Equipment		563	1,085	1,004	1,601	2,193	2,193	885	710	458
Machinery and Equipment		678	1,258	1,599	2,070	6,041	6,041	5,316	9,390	572
<b>Transport Assets</b>		4,489	5,775	3,044	7,310	9,381	9,381	4,426	2,220	5,070
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	5,062	9,426	5,629	12,844	13,151	13,151	9,049	8,849	8,951
<i>Roads Infrastructure</i>		-	-	41	50	-	-	490	3,400	3,600
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		2,586	5,170	2,028	2,120	2,350	2,350	780	110	120
<i>Water Supply Infrastructure</i>		1,518	2,197	1,385	3,179	3,191	3,191	730	1,300	2,450
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		4,104	7,367	3,455	5,349	5,541	5,541	2,000	4,810	6,170
Community Facilities		119	318	140	445	609	609	484	600	-
Sport and Recreation Facilities		86	597	187	5,300	5,229	5,229	2,600	2,859	2,261
<b>Community Assets</b>		205	915	326	5,745	5,838	5,838	3,084	3,459	2,261
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	1,000	1,000	1,000	3,050	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	1,000	1,000	1,000	3,050	-	-
Operational Buildings		-	113	258	-	-	-	490	-	500
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	113	258	-	-	-	490	-	500
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		349	498	878	400	405	405	300	500	-
Furniture and Office Equipment		387	533	539	350	366	366	125	80	20
Machinery and Equipment		17	-	171	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-

<b>Total Upgrading of Existing Assets</b>	6	12,833	17,631	25,473	20,165	23,549	23,549	19,854	26,720	16,348
<i>Roads Infrastructure</i>		9,094	12,337	15,321	10,890	11,497	11,497	3,980	8,800	6,300
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		2,533	3,383	2,320	3,500	3,400	3,400	1,310	11,906	6,748
<i>Water Supply Infrastructure</i>		-	(83)	2,329	1,525	3,875	3,875	9,074	5,214	2,200
<i>Sanitation Infrastructure</i>		-	-	1,023	2,500	3,315	3,315	1,600	600	600
<i>Solid Waste Infrastructure</i>		-	-	412	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		11,627	15,637	21,406	18,415	22,087	22,087	15,964	26,520	15,848
Community Facilities		766	490	101	100	97	97	-	-	-
Sport and Recreation Facilities		239	490	2,062	1,350	1,166	1,166	2,520	200	500
<b>Community Assets</b>		1,005	979	2,163	1,450	1,263	1,263	2,520	200	500
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	1,015	1,904	300	199	199	1,280	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	1,015	1,904	300	199	199	1,280	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		201	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		201	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	90	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	40,882	49,649	52,794	83,155	85,001	85,001	102,441	73,313	70,669
<i>Roads Infrastructure</i>		9,341	12,632	16,567	12,199	11,597	11,597	10,976	12,300	11,200
<i>Storm water Infrastructure</i>		3,395	134	467	605	571	571	1,604	3,634	470
<i>Electrical Infrastructure</i>		5,119	8,553	4,348	7,120	6,328	6,328	9,226	12,616	7,818
<i>Water Supply Infrastructure</i>		1,518	2,114	4,805	26,613	23,889	23,889	28,573	11,514	18,259
<i>Sanitation Infrastructure</i>		6,213	6,503	9,405	8,058	6,665	6,665	18,921	6,120	9,971
<i>Solid Waste Infrastructure</i>		659	477	617	800	303	303	880	1,050	3,900
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		26,245	30,412	36,210	55,395	49,353	49,353	70,180	47,234	51,618
Community Facilities		5,661	4,033	1,907	2,015	4,449	4,449	4,454	2,050	2,700
Sport and Recreation Facilities		953	2,535	3,607	8,505	7,825	7,825	5,530	3,594	3,461
<b>Community Assets</b>		6,614	6,569	5,514	10,520	12,275	12,275	9,984	5,644	6,161
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	1,000	1,000	1,000	3,050	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	1,000	1,000	1,000	3,050	-	-
Operational Buildings		750	2,584	2,163	2,280	2,477	2,477	5,545	3,500	2,850
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		750	2,584	2,163	2,280	2,477	2,477	5,545	3,500	2,850
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		215	576	382	610	145	145	1,030	100	100
<b>Intangible Assets</b>		215	576	382	610	145	145	1,030	100	100
Computer Equipment		924	857	2,168	2,020	1,770	1,770	1,810	4,435	3,820
Furniture and Office Equipment		950	1,618	1,543	1,951	2,560	2,560	1,010	790	478
Machinery and Equipment		695	1,258	1,770	2,070	6,041	6,041	5,406	9,390	572
Transport Assets		4,489	5,775	3,044	7,310	9,381	9,381	4,426	2,220	5,070
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		40,882	49,649	52,794	83,155	85,001	85,001	102,441	73,313	70,669

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	424,074	473,537	501,556	556,858	556,287	556,287	626,072	665,288	701,477
<i>Roads Infrastructure</i>		54,070	65,033	78,793	88,255	87,166	87,166	94,393	102,622	109,630
<i>Storm water Infrastructure</i>		9,299	13,694	13,558	13,812	13,710	13,710	14,887	18,088	18,123
<i>Electrical Infrastructure</i>		42,111	46,272	49,685	55,338	53,847	53,847	60,702	70,753	75,898
<i>Water Supply Infrastructure</i>		67,244	67,107	69,083	96,033	90,775	90,775	116,187	124,366	139,402
<i>Sanitation Infrastructure</i>		72,981	76,982	83,862	89,479	86,842	86,842	102,280	104,724	111,058
<i>Solid Waste Infrastructure</i>		23,557	41,283	35,301	18,811	24,349	24,349	13,865	3,455	(4,125)
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>269,263</b>	<b>310,371</b>	<b>330,282</b>	<b>361,728</b>	<b>356,690</b>	<b>356,690</b>	<b>402,314</b>	<b>424,008</b>	<b>449,987</b>
<b>Community Assets</b>		36,819	42,474	45,673	52,301	56,218	56,218	64,334	67,954	71,995
<b>Heritage Assets</b>		454	454	454	454	454	454	454	454	454
<b>Investment properties</b>		14,927	14,752	14,688	15,898	15,670	15,670	18,702	18,684	18,666
<b>Other Assets</b>		23,917	21,923	23,443	29,253	25,358	25,358	30,314	33,212	35,457
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		4,155	3,232	3,113	4,185	2,819	2,819	3,404	3,049	2,678
<b>Computer Equipment</b>		2,072	3,225	3,768	5,883	4,902	4,902	5,981	9,623	12,640
<b>Furniture and Office Equipment</b>		4,093	4,846	5,255	6,352	6,907	6,907	6,937	6,751	6,308
<b>Machinery and Equipment</b>		5,049	5,189	6,432	7,530	11,574	11,574	15,932	24,177	23,525
<b>Transport Assets</b>		13,390	17,013	18,391	23,009	25,637	25,637	27,642	27,320	29,711
<b>Land</b>		49,935	50,057	50,057	50,265	50,057	50,057	50,057	50,057	50,057
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>424,074</b>	<b>473,537</b>	<b>501,556</b>	<b>556,858</b>	<b>556,287</b>	<b>556,287</b>	<b>626,072</b>	<b>665,288</b>	<b>701,477</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>41,544</b>	<b>44,139</b>	<b>53,341</b>	<b>57,153</b>	<b>60,065</b>	<b>60,065</b>	<b>66,409</b>	<b>71,323</b>	<b>73,650</b>
<b>Depreciation</b>	7	19,083	21,865	27,625	28,668	30,270	30,270	32,656	34,096	34,480
<b>Repairs and Maintenance by Asset Class</b>	3	<b>22,461</b>	<b>22,274</b>	<b>25,716</b>	<b>28,485</b>	<b>29,795</b>	<b>29,795</b>	<b>33,753</b>	<b>37,227</b>	<b>39,170</b>
<i>Roads Infrastructure</i>		617	774	852	810	776	776	1,689	870	914
<i>Storm water Infrastructure</i>		202	269	193	335	365	365	371	405	425
<i>Electrical Infrastructure</i>		2,770	2,010	1,948	2,350	2,638	2,638	2,578	2,712	2,855
<i>Water Supply Infrastructure</i>		586	522	624	580	807	807	800	800	838
<i>Sanitation Infrastructure</i>		224	552	672	541	614	614	565	591	619
<i>Solid Waste Infrastructure</i>		-	-	-	16	5	5	17	18	19
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>4,399</b>	<b>4,127</b>	<b>4,288</b>	<b>4,632</b>	<b>5,205</b>	<b>5,205</b>	<b>6,020</b>	<b>5,395</b>	<b>5,670</b>
<b>Community Facilities</b>		7,976	7,012	7,821	10,295	8,659	8,659	10,849	11,707	12,370
<b>Sport and Recreation Facilities</b>		2,837	2,438	2,990	3,574	3,756	3,756	4,257	4,289	4,527
<b>Community Assets</b>		<b>10,813</b>	<b>9,450</b>	<b>10,811</b>	<b>13,869</b>	<b>12,415</b>	<b>12,415</b>	<b>15,106</b>	<b>15,996</b>	<b>16,897</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		4,054	3,974	5,612	5,108	6,438	6,438	7,292	10,274	10,786
<i>Housing</i>		9	3	38	59	99	99	111	63	66
<b>Other Assets</b>		<b>4,063</b>	<b>3,977</b>	<b>5,649</b>	<b>5,167</b>	<b>6,537</b>	<b>6,537</b>	<b>7,403</b>	<b>10,337</b>	<b>10,852</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		239	1,176	318	371	1,150	1,150	380	396	413
<b>Furniture and Office Equipment</b>		19	23	39	30	30	30	31	58	59
<b>Machinery and Equipment</b>		723	857	1,355	1,042	1,201	1,201	1,175	1,222	1,278
<b>Transport Assets</b>		2,203	2,666	3,256	3,375	3,258	3,258	3,638	3,823	4,002
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>41,544</b>	<b>44,139</b>	<b>53,341</b>	<b>57,153</b>	<b>60,065</b>	<b>60,065</b>	<b>66,409</b>	<b>71,323</b>	<b>73,650</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		43.8%	54.5%	58.9%	39.7%	43.2%	43.2%	28.2%	48.5%	35.8%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		93.8%	123.7%	112.6%	115.1%	121.2%	121.2%	88.5%	104.3%	73.4%
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		5.4%	4.7%	5.2%	5.2%	5.4%	5.4%	5.4%	5.6%	5.6%
<b>Renewal and upgrading and R&amp;M as a % of PPE and Investment Proper</b>		9.6%	10.5%	11.4%	11.1%	12.0%	12.0%	10.1%	11.0%	9.2%

## Table 22 MBRR A10 - Basic Service Delivery Measurement

WC013 Bergrivier - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		9,269	9,423	9,515	9,611	9,611	9,611	9,707	9,805	9,906
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		9,269	9,423	9,515	9,611	9,611	9,611	9,707	9,805	9,906
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>9,269</b>	<b>9,423</b>	<b>9,515</b>	<b>9,611</b>	<b>9,611</b>	<b>9,611</b>	<b>9,707</b>	<b>9,805</b>	<b>9,906</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		7,542	7,657	7,753	7,908	7,908	7,908	8,066	8,193	8,300
Flush toilet (with septic tank)		2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		9,642	9,757	9,853	10,008	10,008	10,008	10,166	10,293	10,400
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>9,642</b>	<b>9,757</b>	<b>9,853</b>	<b>10,008</b>	<b>10,008</b>	<b>10,008</b>	<b>10,166</b>	<b>10,293</b>	<b>10,400</b>
<b>Energy:</b>										
Electricity (at least min.service level)		10,409	10,529	10,665	10,765	10,765	10,765	10,885	10,998	11,110
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		10,409	10,529	10,665	10,765	10,765	10,765	10,885	10,998	11,110
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>10,409</b>	<b>10,529</b>	<b>10,665</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,885</b>	<b>10,998</b>	<b>11,110</b>
<b>Refuse:</b>										
Removed at least once a week		9,720	9,843	10,163	10,366	10,366	10,366	10,573	10,736	10,896
<i>Minimum Service Level and Above sub-total</i>		9,720	9,843	10,163	10,366	10,366	10,366	10,573	10,736	10,896
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>9,720</b>	<b>9,843</b>	<b>10,163</b>	<b>10,366</b>	<b>10,366</b>	<b>10,366</b>	<b>10,573</b>	<b>10,736</b>	<b>10,896</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		1,860	2,050	2,255	2,255	2,255	2,255	2,255	2,255	2,255
Sanitation (free minimum level service)		1,635	1,805	1,986	1,986	1,986	1,986	1,986	1,986	1,986
Electricity/other energy (50kwh per household per month)		1,438	1,880	2,068	2,068	2,068	2,068	2,068	2,068	2,068
Refuse (removed at least once a week)		1,862	2,052	2,257	2,257	2,257	2,257	2,257	2,257	2,257
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		2,112	2,277	2,211	2,714	2,464	2,464	2,850	3,049	3,262
Sanitation (free sanitation service to indigent households)		3,371	3,626	3,574	3,920	3,920	3,920	4,194	4,488	4,811
Electricity/other energy (50kwh per indigent household per month)		739	1,235	1,401	1,712	1,462	1,462	1,915	2,011	2,051
Refuse (removed once a week for indigent households)		5,040	5,378	5,261	6,746	6,746	6,746	8,095	9,309	9,973
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8	<b>11,262</b>	<b>12,516</b>	<b>12,447</b>	<b>15,092</b>	<b>14,592</b>	<b>14,592</b>	<b>17,054</b>	<b>18,857</b>	<b>20,097</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	180.88	180.88	180.88	193.54	207.09	222.00
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		2,970	3,533	4,540	5,789	4,689	4,689	5,848	6,257	6,630
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	<b>2,970</b>	<b>3,533</b>	<b>4,540</b>	<b>5,789</b>	<b>4,689</b>	<b>4,689</b>	<b>5,848</b>	<b>6,257</b>	<b>6,630</b>



## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Deputy Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices.
- that there is proper alignment between the policy and service delivery priorities set out in the Councils IDP and the budget, taking into account the need to protect the financial sustainability of municipality.
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Various Budget Steering Committee meetings were held during the budget preparation process to ensure a co-ordinated approach to budgeting through the linking of the community needs with administrative requirement and ensuring political oversight in the process.

#### **2.1.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2020) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on June 2022.

**SUMMARY OF KEY ACTIVITIES OF THE TIME SCHEDULE OF KEY DEADLINES FOR THE 2023/24 BUDGET AND IDP REVIEW**

Task	Date	Legal Reference
<b>Jul - August 2022</b>		
Table in Council the IDP Process Plan. <i>The time schedule in terms of Section 21(1)(b) of the Municipal Finance Management Act (MFMA) is replaced annually).</i>	Aug	<b>MSA Section 28:</b> (1) <i>Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.</i> (2) <i>The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.</i> (3) <i>A municipality must give notice to the local community of particulars of the process it intends to follow.</i>
Advertise the amended IDP Process Plan for public inputs/comments. Copies in library and on website	Aug	<b>MSA Section 28</b> (3) <i>A municipality must give notice to the local community of particulars of the process it intends to follow</i>
Table in Council a budget and IDP time schedule of key deadlines ( <i>Annually - at least 10 months before the start of the budget year</i> )	31 Aug	<b>MFMA Section 21(1)(b):</b> <i>The mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for -</i> (i) <i>the preparation, tabling and approval of the annual budget;</i> (ii) <i>the annual review of-</i> <i>(aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and</i> <i>(bb) the budget-related policies;</i> (iii) <i>the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and</i> (iv) <i>any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).</i>
Submit annual financial statements and annual performance report to the Auditor-General for auditing ( <i>within two months after the end of the financial year</i> )	Before 31 Aug	<b>MSA Section 126(1)(a):</b> <i>The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing</i>
<b>September – October 2022</b>		
Submit process plan and time schedule to the West Coast District Municipality and the Provincial Government	Sept	

Task	Date	Legal Reference
Internal Analysis – <ul style="list-style-type: none"> <li>▪ critical issues/challenges with respect to every service</li> <li>▪ minimum service levels</li> <li>▪ institutional</li> <li>▪ financial</li> <li>▪ performance</li> </ul>	Sep & Nov	
Compile a Financial Plan	Nov 2022 – Jan 2023	<b>MSA Section 26(h):</b> <i>An integrated development plan must reflect a financial plan, which must include a budget projection for at least the next three years.</i>
External Analysis – <ul style="list-style-type: none"> <li>• Spatial</li> <li>• Social</li> <li>• Economic</li> <li>• Environmental</li> </ul> <p><i>This process should be combined with the compilation of ward plans and must involve the local community and other stakeholders</i></p>	Sep – Nov	<b>MSA Section 29(1)(b):</b> <i>The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for-</i> <ul style="list-style-type: none"> <li>(i) <i>the local community to be consulted on its development needs and priorities;</i></li> <li>(ii) <i>the local community to participate in the drafting of the integrated development plan; and</i></li> <li>(iii) <i>organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan.</i></li> </ul>
Commence with the multi-year capital and operating budget	Sept	
Ward committee meetings and public participation-on the IDP	Sept/Oct	
Obtain inputs from directors and division heads on preliminary capital and operating budget (including review of salary, fleet and equipment budget and tariffs)	Sep / Oct	
<b>November 2022</b>		
Finalise the compilation of new ward plans	Nov – Dec	
Strategic sessions of directorate: Alignment with strategic priorities in IDP	Nov	
Receive audit report on annual financial statements from the Auditor-General	Nov	<b>MFMA Section 126(3):</b> <i>The Auditor-General must-</i> <ul style="list-style-type: none"> <li>(a) <i>audit those financial statements; and</i></li> <li>(b) <i>submit an audit report on those statements to the accounting officer of the municipality or entity within three months of receipt of the statements.</i></li> </ul>

Task	Date	Legal Reference
Ensure the Accounting Officer addresses any issues raised by the Auditor-General in the audit report - prepare action/audit plans to address and incorporate into the annual report.	Nov	
<b>December 2022</b>		
Finalise inputs from bulk resource providers (and NER) & agree on proposed price increase	Dec	
Strategic session with Management and Mayoral committee	Dec	
Review whether all bulk resource providers have lodged a request with National Treasury & SALGA seeking comments on proposed price increases of bulk resources	Dec	
Finalise first draft of departmental operational plans and SDBIP for review against strategic priorities	Dec / Jan	
Finalise first draft of Annual Report incorporating financial and non-financial information on performance, audit reports and annual financial statements	Dec	
Submit draft adjustments budget to Budget Steering Committee	Dec	
<b>January 2023</b>		
Adjustments Budget - <ul style="list-style-type: none"> <li>• Submit to Mayoral Committee</li> <li>• Submit to Council</li> <li>• Submit approved adjustments budget to provincial treasury and National Treasury</li> </ul>	Jan	

Task	Date	Legal Reference
Ensure any written comments made to bulk resource providers by municipality on proposed increase of bulk resources are included in any submission made by bulk resource providers to the required organs of state	Jan	
Review whether comments from National Treasury and SALGA have been received on proposed price increases of bulk resources	Jan	
Finalise operating & capital budgets in prescribed formats incorporating National & provincial budget allocations, integrate & align to IDP & draft SDBIP, finalise budget policies including tariff policy	Jan / Feb	
Review the KPI's and annual performance targets	Jan/Feb	
<b>February 2023</b>		
Finalise the draft capital and operating budget and budget related policies	Feb/Mar	
Commence with establishment of ward committees	Feb	
Finalise ward plans	Feb	
Note any provincial and national allocations to municipalities for incorporation into budget	Feb	
Finalise corrective measures from audit report	Feb	

Task	Date	Legal Reference
Receive notification of any transfers that will be made to the municipality from other municipalities in each of the next three fin years (by no later than 120 days before the start of its budget year)	Before 28 Feb	<b>MFMA Section 37(2):</b> In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for spending of such allocations, the accounting officer of a municipality responsible for transfer of any allocation to another municipality must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next 3 fin years.
<b>March 2023</b>		
Receive bulk resource providers' price increases as tabled in Parliament or the provincial legislature	Mar	
Submit draft 90 days budget to Budget Steering Committee	Before 14 March	
Table draft IDP and budget in Council (at least 90 days before the start of the budget year) <ul style="list-style-type: none"> <li>Submit to Mayoral Committee</li> <li>Submit to Council</li> </ul>	Mar	<b>MFMA Section 16:</b> (1) The council of a municipality must for each financial year approve an annual budget for the municipality before start of that financial year. (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
Approval of NERSA tariffs	Mar	
<b>April 2023</b>		
Submit the budget and IDP to Provincial Treasury, National Treasury and other affected organs of state	3 - 6 Apr	<b>MFMA Section 22:</b> Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must (a) in accordance with Chapter 4 of the Municipal Systems Act - (i) Make public the annual budget and the documents referred to in Section 17(3); and (ii) invite the local community to submit representations in connection with the budget; (b) submit the annual budget - (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and (ii) in either formats to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

Task	Date	Legal Reference
Submit the proposed revised IDP to the District Municipality	3 - 6 Apr	<p><b>MSA Section 29(3)(b):</b> A local municipality must draft its integrated development plan, taking into account the integrated development processes of, and proposals submitted to it by the district municipality.</p> <p><b>MPPM Regulation 3(6):</b> A local municipality that considers an amendment to its integrated development plan must-</p> <p>(a) consult the district municipality in whose area it falls on the proposed amendment; and</p> <p>(b) take all comments submitted to it by the district municipality into account before it takes a final decision on the proposed amendment.</p>
Make public the annual budget and invite the community to submit representations	Apr	<p><b>MFMA Section 22:</b> Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must</p> <p>(a) in accordance with Chapter 4 of the Municipal Systems Act -</p> <p>(i) Make public the annual budget and the documents referred to in Section 17(3); and</p> <p>(ii) invite the local community to submit representations in connection with the budget;</p> <p>(b) submit the annual budget -</p> <p>(i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and</p> <p>(ii) in either formats to any prescribed national or provincial organs of state and to other municipalities affected by the budget.</p>
Publish the proposed IDP for public comment	Apr	<p><b>MPPM Regulation 3(4)(b):</b> No amendment to a municipality's integrated development plan may be adopted by the municipal council unless the proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment.</p>
Process of consultation and meetings with local community and stakeholders, Provincial and National Treasury and other organs of state	Apr	<p><b>MFMA Section 23(1):</b> When the annual budget has been tabled, the municipal council must consider any views of –</p> <p>(a) the local community; and</p> <p>(b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.</p>
<b>May 2023</b>		
Confirm National budget for provincial and National allocations to municipalities for incorporation into budget	2 - 11 May	

Task	Date	Legal Reference
Review provincial & national legislation incl. DoRA to establish potentially new reporting requirements Inc. annual, monthly & quarterly grant & performance reports for specific new allocations & programmes (10 working days after end of month deadlines)	2 - 11 May	
Council must give the mayor an opportunity to respond to the submissions and, if necessary, to revise the budget and table amendments for consideration by the council	5 - 19 May	<b>MFMA Section 23(2):</b> After considering all budget submissions, the council must give the mayor an opportunity- (a) to respond to the submissions; and (b) if necessary, to revise the budget and table amendments for consideration by the council.
Completion of Annual Budget amendments / refinements	Before 26 May	
Submit draft 30 days budget to Budget Steering Committee	Before 19 May	
Table final IDP and budget in Council (at least 30 days before the start of the budget year) <ul style="list-style-type: none"> <li>• Submit to Mayoral Committee</li> <li>• Submit to Council</li> </ul>	May	<b>MFMA Section 24(1):</b> The Council must at least 30 days before the start of the budget year consider the approval of the annual budget. <b>MPPM Regulation 3(3):</b> An amendment to a municipality's integrated development plan is adopted by a decision taken by a municipal council in accordance with rules and orders of the council.
<b>June 2023</b>		
Place IDP, annual budget, all budget-related documents and all budget-related policies on the website (within 5 days of the adoption of the plan)	Before 5 Jun	<b>MFMA Section 75(1):</b> The accounting officer of a municipality must place on the website the following documents of the municipality: (a) the annual and adjustments budgets and all budget-related documents; and (b) all budget-related policies <b>MSA Section 21A(1)(b):</b> All documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal Finance Management Act or other applicable legislation, must be conveyed to the local community by displaying the documents on the municipality's official website, if the municipality has a website as envisaged by section 21B. <b>MFMA Section 75(2):</b> A document referred to above must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first.



Task	Date	Legal Reference
Submit a copy of the revised IDP to the MEC for local government as well as Provincial Treasury ( <i>within 10 days of the adoption of the plan</i> )	Before 9 Jun	<b>MSA Section 32(1)(a):</b> <i>The municipal manager of a municipality must submit a copy of the integrated development plan as adopted by the council of the municipality, and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan.</i>
Give notice to the public of the adoption of the IDP ( <i>within 14 days of the adoption of the plan</i> )	14 & 15 Jun	<b>MSA Section 25(4)(a):</b> <i>A municipality must, within 14 days of the adoption of its integrated development plan in terms of subsection (1) or (3) give notice to the public-</i> <i>(i) of the adoption of the plan; and</i> <i>(ii) that copies of or extracts from the plan are available for public inspection at specified places;</i> <b>MSA Section 21A(1)(a) and (c):</b> <i>All documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal Finance Management Act or other applicable legislation, must be conveyed to the local community -</i> <i>(a) by displaying the documents at the municipality's head and satellite offices and libraries;</i> <i>(c) by notifying the local community, in accordance with section 21, of the place, including the website address, where detailed particulars concerning the documents can be obtained.</i>
Publicise a summary of the IDP ( <i>within 14 days of the adoption of the plan</i> )	Jun	<b>MSA Section 25(4)(b):</b> <i>A municipality must, within 14 days of the adoption of its integrated development plan in terms of subsection (1) or (3) publicise a summary of the plan.</i>
Make public the approved annual budget and supporting documentation (including tariffs) ( <i>within 10 working days after approval of the budget</i> )	Jun	<b>BUDGET &amp; REPORTING REGULATIONS 2009, Reg 18:</b> <i>(1) Within ten working days after the municipal council has approved the annual budget of a municipality, the municipal manager must in accordance with section 21A of Municipal Systems Act make public the approved annual budget and supporting documentation and resolutions referred to in section 24(2)(c) of the Act.</i> <i>(2) The municipal manager must also make public any other information that the municipal council considers appropriate to facilitate public awareness of the annual budget, including-</i> <i>(a) summaries of the annual budget and supporting documentation in alternate languages predominant in the community; and</i> <i>(b) information relevant to each ward in the municipality.</i> <i>(3) All information contemplated in subregulation (2) must cover:</i> <i>(a) the relevant financial and service delivery implications of the annual budget; and</i> <i>(b) at least the previous year's actual outcome, the current year's forecast outcome, the budget year and the following two years.</i>

Task	Date	Legal Reference
Submit approved budget to the provincial treasury and National Treasury ( <i>within 10 working days after approval of the budget</i> )	Before 14 Jun	<b>MFMA Section 24(3):</b> <i>The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.</i> <b>BUDGET &amp; REPORTING REGULATIONS 2009, Reg 20:</b> <i>The municipal manager must comply with section 24(3) of the Act within ten working days after the municipal council has approved the annual budget.</i>
Submit to the Executive Mayor the draft SDBIP and draft annual performance agreements for the next year ( <i>within 14 days after approval of the budget</i> )	Jun	<b>MFMA Section 69(3):</b> <i>(a) The accounting officer must no later than 14 days after approval of an annual budget submit to the mayor a draft service delivery and budget implementation plan for the budget year.</i> <i>(b) The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act for the municipal manager and all senior managers.</i>
Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved ( <i>within 28 days after approval of the budget</i> )	Jun	<b>MFMA Section 53(1)(c)(ii):</b> <i>The mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after approval of the budget.</i>
Place the performance agreements and all service delivery agreements on the website	Before 18 Jun	<b>MFMA Section 75(1):</b> <i>The accounting officer of a municipality must place on the website the following documents of the municipality:</i> <i>(d) performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act; and</i> <i>(e) all service delivery agreements</i> <b>BUDGET &amp; REPORTING REGULATIONS 2009, Reg 19:</b> <i>The accounting officer must place on the website all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act.</i>
Submit copies of the performance agreements to Council and the MEC for local government as well as the national minister responsible for local government ( <i>within 14 days after concluding the employment contract and performance agreement</i> )	Before 27 Jun	<b>MFMA Section 53(3)(b):</b> <i>Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.</i> <b>PERF REGS 2006 Reg(5):</b> <i>The employment contract and performance agreement must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government within fourteen (14) days after concluding the employment contract and performance agreement</i>
Submit the SDBIP to National and Provincial Treasury ( <i>within 10 working days approval of the plan</i> )	Before 27 Jun	<b>BUDGET &amp; REPORTING REGULATIONS 2009, Reg 20(2)(b):</b> <i>The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan.</i>

Task	Date	Legal Reference
Make public the projections, targets and indicators as set out in the SDBIP (within 10 working days after the approval of the SDBIP)	Before 27 Jun	<b>MFMA Section 53(3)(a):</b> The mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan. <b>BUDGET &amp; REPORTING REGULATIONS 2009, Reg 19:</b> The municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan in terms of section 53(1)(c)(ii) of the Act.
Make public the performance agreements of Municipal Manager and senior managers (no later than 14 days after the approval of the SDBIP)	Before 27 Jun	<b>MFMA Section 53(3)(b):</b> The mayor must ensure that the performance agreements of municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### 2.1.2 IDP and Service Delivery and Budget Implementation Plan

The amendment following the second revision of the 5<sup>th</sup> Generation Integrated Development Plan (IDP) for the 2021/22 – 2026/27 financial years was submitted to Council for approval in March 2023. Council has decided to adopt the revised 4th generation IDP as the 5th generation IDP in the first year of their term of office (2022/23). The review process in 2022/23 will lead to an amendment of the 5th Generation IDP.

The Municipality's IDP is its principle strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into strategic goals, strategic objective, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the annual revisions of the Fifth Generation IDP includes the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental strategic plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the TL-SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2023/24 MTREF, based on the approved 2022/23 MTREF, Mid-year Review and adjustments budget. The

business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2023/24 MTREF, each department/section had to review the business planning processes, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2022/23 Top Level Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Council, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Council strategically complies with the key national and provincial priorities.

The aim of the Fourth Generation IDP was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Council's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2023/24 MTREF and further planning refinements that have directly informed the compilation of the budget:

### IDP Goals and Strategic Objectives

STRATEGIC GOAL	STRATEGIC OBJECTIVES
Strengthen financial sustainability	To budget strategically
	Entrench the Long-Term Financial Plan in the planning, implementation and management of the organisation
	Diversify revenue and ensure value for money services
	Ensure sustainable financial risk and asset management
	Diversify by sourcing grant funding to support projects, programmes and initiatives of Council
	Ensure transparency in financial management by ensuring that all financial records are accurate, reliable and timely

STRATEGIC GOAL	STRATEGIC OBJECTIVES
Ensure good governance	Create an efficient, effective, economic and accountable administration.
	Provide a transparent and corruption free municipality.
	Accountable leadership supported by professional and skilled administration.
	Communicate effectively with the public
	A customer centred approach to everything.

STRATEGIC GOAL	STRATEGIC OBJECTIVES
Sustainable service delivery	Develop and provide bulk infrastructure within the climate change risks.
	Maintain existing bulk infrastructure and services.
	Develop, manage and regulate the built environment.
	Source alternative sources of energy in the context of national electricity provision.

	Conserve and manage the natural environment and mitigate the impacts of climate change.
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STRATEGIC GOAL	STRATEGIC OBJECTIVES
Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	Improve the regulatory environment for ease of doing business.
	Promote tourism.
	Alleviate poverty through job creation in municipal driven projects and programmes.
	Ensure all policies and systems in Bergrivier Municipality support poverty alleviation.
	Attract investment through catalytic infrastructure.

STRATEGIC GOAL	STRATEGIC OBJECTIVES
Empowering people through innovation.	To promote healthy lifestyles through the provision of sport, recreational and other facilities and opportunities.
	Promote continued partnerships for youth development.
	Promote a safe environment for all who live in Bergrivier Municipal Area.
	Develop a Master Plan for "Smart Cities" in Bergrivier Municipal Area.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP process which is directly aligned to that of the national and provincial priorities.

New game changers have been identified and are included in the IDP review document and will also be taken up into the Service Delivery and Budget implementation plan for the 2023/2024 financial year and beyond to ensure the execution of strategic objectives.

The 2023/24 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 23 MBRR SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

WC013 Bergervier - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>												
1.1: To budget strategically	SG1: Strengthen financial sustainability	S101		-	-	-	-	-	-	-	-	-
1.2: Entrench the Long-Term Financial Plan in the planning, implementation and management of the organisation	SG1: Strengthen financial sustainability	S102		-	-	-	-	-	-	-	-	-
1.3: Diversify revenue and ensure value for money services	SG1: Strengthen financial sustainability	S103		-	-	-	-	-	-	126,268	133,797	141,838
1.4: Ensure sustainable financial risk and asset management	SG1: Strengthen financial sustainability	S104		-	-	-	-	-	-	50	52	54
1.5: Diversify by sourcing grant funding to support projects, programmes and initiatives of Council	SG1: Strengthen financial sustainability	S105		-	-	-	-	-	-	-	-	-
1.6: Ensure transparency in financial management by ensuring that all financial records are accurate, reliable and timely	SG1: Strengthen financial sustainability	S106		-	-	-	-	-	-	-	-	-
2.1: Create an efficient, effective, economic and accountable administration.	SG2: Ensure good governance	S201		-	-	-	-	-	-	3,012	3,151	3,303
2.2: Provide a transparent and corruption free municipality.	SG2: Ensure good governance	S202		-	-	-	-	-	-	-	-	-
2.3: Accountable leadership supported by professional and skilled administration.	SG2: Ensure good governance	S203		-	-	-	-	-	-	-	-	-
2.4: Communicate effectively with the public	SG2: Ensure good governance	S204		-	-	-	-	-	-	63,604	69,776	76,914
2.5: A customer centred approach to everything.	SG2: Ensure good governance	S205		-	-	-	-	-	-	3	3	3
3.1: Develop and provide bulk infrastructure within the climate change risks.	SG3: Sustainable service delivery	S301		-	-	-	-	-	-	16,543	17,103	17,687
3.2: Maintain existing bulk infrastructure and services.	SG3: Sustainable service delivery	S302		-	-	-	-	-	-	283,723	307,664	329,915
3.3: Develop, manage and regulate the built environment.	SG3: Sustainable service delivery	S303		-	-	-	-	-	-	3,773	3,455	3,663
3.4: Source alternative sources of energy in the context of national electricity provision.	SG3: Sustainable service delivery	S304		-	-	-	-	-	-	-	-	-
3.5: Conserve and manage the natural environment and mitigate the impacts of climate change.	SG3: Sustainable service delivery	S305		-	-	-	-	-	-	239	253	268
4.1: Improve the regulatory environment for ease of doing business.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S401		-	-	-	-	-	-	1,241	299	303
4.2: Promote tourism.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S402		-	-	-	-	-	-	-	-	-
4.3: Alleviate poverty through job creation in municipal driven projects and programmes.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S403		-	-	-	-	-	-	-	-	-
4.4: Ensure all policies and systems in Bergervier Municipality support poverty alleviation.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S404		-	-	-	-	-	-	35,224	6,477	72,989
4.5: Attract investment through catalytic infrastructure.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S405		-	-	-	-	-	-	-	-	-
5.1: To promote healthy lifestyles through the provision of sport, recreational and other facilities and opportunities.	SG5: Empowering people through innovation.	S501		-	-	-	-	-	-	13,880	14,254	14,635
5.2: Promote continued partnerships for youth development.	SG5: Empowering people through innovation.	S502		-	-	-	-	-	-	-	-	-
5.3: Promote a safe environment for all who live in Bergervier Municipal Area.	SG5: Empowering people through innovation.	S503		-	-	-	-	-	-	29,985	30,493	32,025
5.4: Develop a Master Plan for "Smart Cities" in Bergervier Municipal Area.	SG5: Empowering people through innovation.	S504		-	-	-	-	-	-	-	-	-
1.1: To budget strategically	SG1: Strengthen financial sustainability and further enhancing good governance	S101		2,804	-	-	-	-	-	-	-	-
1.2: Grow and diversify our revenue and ensure value for money-services	SG1: Strengthen financial sustainability and further enhancing good governance	S102		3,621	3,160	5,126	5,420	5,194	5,194	-	-	-
1.3: To create an efficient, effective, economic and accountable administration	SG1: Strengthen financial sustainability and further enhancing good governance	S103		138,744	136,219	141,571	170,550	176,902	176,902	-	-	-
1.4: Client focussed service delivery	SG1: Strengthen financial sustainability and further enhancing good governance	S104		-	-	-	-	-	-	-	-	-
1.5: To provide a transparent, ethical and corruption free municipality	SG1: Strengthen financial sustainability and further enhancing good governance	S105		-	-	-	-	-	-	-	-	-
1.6: To communicate effectively with the public	SG1: Strengthen financial sustainability and further enhancing good governance	S106		-	-	-	-	-	-	-	-	-
2.1: To develop and provide sustainable bulk and community infrastructure in support of the spacial development framework	SG2: Sustainable service delivery	S201		210,497	233,077	260,665	268,664	266,645	266,645	-	-	-
3.1: To improve the regulatory environment for ease of doing business	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	S301		-	-	-	-	-	-	-	-	-
3.2: To facilitate an environment for the creation of jobs and small businesses	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	S302		445	207	396	-	2,027	2,027	-	-	-
3.3: To improve local mobility in the towns of the municipality	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	S303		1,548	6,520	2,225	1,858	1,877	1,877	-	-	-
3.4: To alleviate poverty	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	S304		-	-	-	22	-	-	-	-	-
4.1: To promote healthy life styles through the provision of sport and other facilities and opportunities	SG4: Promote a safe, healthy, educated and integrated community	S401		424	223	418	381	353	353	-	-	-
4.2: To promote a safe environment for all who live in and visit Bergervier	SG4: Promote a safe, healthy, educated and integrated community	S402		22,038	25,693	22,835	27,655	27,759	27,759	-	-	-
4.3: To create innovative partnerships with sector departments for improved education outcomes and opportunities for youth development	SG4: Promote a safe, healthy, educated and integrated community	S403		6,986	8,561	8,387	8,094	8,722	8,722	-	-	-
5.1: To develop, manage and regulate the built environment	SG5: A sustainable, inclusive and integrated living environment	S501		6,208	9,120	4,019	13,296	7,322	7,322	-	-	-
5.2: To conserve and manage the natural environment and mitigate the impacts of climate change on municipal functions	SG5: A sustainable, inclusive and integrated living environment	S502		4,242	1,701	270	345	310	310	-	-	-
<b>Allocations to other priorities</b>			2									
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	397,558	424,481	445,913	496,285	497,110	497,110	577,545	586,777	693,597

**Table 24 MBRR SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

WC013 Bergervier - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>													
1.1: To budget strategically	SG1: Strengthen financial sustainability	S1O1		-	-	-	-	-	-	-	2,595	2,749	2,906
1.2: Entrench the Long-Term Financial Plan in the planning, implementation and management of the organisation	SG1: Strengthen financial sustainability	S1O2		-	-	-	-	-	-	-	2,125	2,242	2,363
1.3: Diversify revenue and ensure value for money services	SG1: Strengthen financial sustainability	S1O3		-	-	-	-	-	-	-	29,551	28,472	30,058
1.4: Ensure sustainable financial risk and asset management	SG1: Strengthen financial sustainability	S1O4		-	-	-	-	-	-	-	9,641	10,934	11,559
1.5: Diversify by sourcing grant funding to support projects, programmes and initiatives of Council	SG1: Strengthen financial sustainability	S1O5		-	-	-	-	-	-	-	-	-	-
1.6: Ensure transparency in financial management by ensuring that all financial records are accurate, reliable and timely	SG1: Strengthen financial sustainability	S1O6		-	-	-	-	-	-	-	-	-	-
2.1: Create an efficient, effective, economic and accountable administration.	SG2: Ensure good governance	S2O1		-	-	-	-	-	-	-	25,319	26,507	27,967
2.2: Provide a transparent and corruption free municipality.	SG2: Ensure good governance	S2O2		-	-	-	-	-	-	-	1,577	1,711	1,809
2.3: Accountable leadership supported by professional and skilled administration.	SG2: Ensure good governance	S2O3		-	-	-	-	-	-	-	11,453	11,811	12,370
2.4: Communicate effectively with the public	SG2: Ensure good governance	S2O4		-	-	-	-	-	-	-	13,521	14,655	15,377
2.5: A customer centred approach to everything.	SG2: Ensure good governance	S2O5		-	-	-	-	-	-	-	8,587	9,082	9,556
3.1: Develop and provide bulk infrastructure within the climate change risks.	SG3: Sustainable service delivery	S3O1		-	-	-	-	-	-	-	3,253	3,426	3,604
3.2: Maintain existing bulk infrastructure and services.	SG3: Sustainable service delivery	S3O2		-	-	-	-	-	-	-	290,894	317,304	342,043
3.3: Develop, manage and regulate the built environment.	SG3: Sustainable service delivery	S3O3		-	-	-	-	-	-	-	13,507	15,496	15,907
3.4: Source alternative sources of energy in the context of national electricity provision.	SG3: Sustainable service delivery	S3O4		-	-	-	-	-	-	-	1,478	1,562	1,651
3.5: Conserve and manage the natural environment and mitigate the impacts of climate change.	SG3: Sustainable service delivery	S3O5		-	-	-	-	-	-	-	6,881	7,451	7,845
4.1: Improve the regulatory environment for ease of doing business.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S4O1		-	-	-	-	-	-	-	5,380	5,868	6,176
4.2: Promote tourism.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S4O2		-	-	-	-	-	-	-	2,569	2,677	2,803
4.3: Alleviate poverty through job creation in municipal driven projects and programmes.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S4O3		-	-	-	-	-	-	-	5,009	1,628	1,726
4.4: Ensure all policies and systems in Bergervier Municipality support poverty alleviation.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S4O4		-	-	-	-	-	-	-	12,690	8,746	75,402
4.5: Attract investment through catalytic infrastructure.	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	S4O5		-	-	-	-	-	-	-	-	-	-
5.1: To promote healthy lifestyles through the provision of sport, recreational and other facilities and opportunities.	SG5: Empowering people through innovation.	S5O1		-	-	-	-	-	-	-	39,553	40,580	42,781
5.2: Promote continued partnerships for youth development.	SG5: Empowering people through innovation.	S5O2		-	-	-	-	-	-	-	485	413	432
5.3: Promote a safe environment for all who live in Bergervier Municipal Area.	SG5: Empowering people through innovation.	S5O3		-	-	-	-	-	-	-	48,494	50,636	53,473
5.4: Develop a Master Plan for "Smart Cities" in Bergervier Municipal Area.	SG5: Empowering people through innovation.	S5O4		-	-	-	-	-	-	-	5,814	6,735	7,059
1.1: To budget strategically	SG1: Strengthen financial sustainability and further enhancing good governance	S1O1		10,853	10,989	11,917	13,030	13,818	13,818	-	-	-	-
1.2: Grow and diversify our revenue and ensure value for money-services	SG1: Strengthen financial sustainability and further enhancing good governance	S1O2		6,263	7,000	7,817	9,299	8,797	8,797	-	-	-	-
1.3: To create an efficient, effective, economic and accountable administration	SG1: Strengthen financial sustainability and further enhancing good governance	S1O3		68,932	71,372	65,045	90,017	87,045	87,045	-	-	-	-
1.4: Client focussed service delivery	SG1: Strengthen financial sustainability and further enhancing good governance	S1O4		-	3	4	4	5	5	-	-	-	-
1.5: To provide a transparent, ethical and corruption free municipality	SG1: Strengthen financial sustainability and further enhancing good governance	S1O5		1,376	1,314	1,114	1,500	1,160	1,160	-	-	-	-
1.6: To communicate effectively with the public	SG1: Strengthen financial sustainability and further enhancing good governance	S1O6		55	43	43	61	59	59	-	-	-	-
2.1: To develop and provide sustainable bulk and community infrastructure in support of the apacial development framework	SG2: Sustainable service delivery	S2O1		175,756	184,336	214,985	240,628	245,965	245,965	-	-	-	-
3.1: To improve the regulatory environment for ease of doing business	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	S3O1		-	-	-	-	-	-	-	-	-	-
3.2: To facilitate an environment for the creation of jobs and small businesses	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	S3O2		3,550	3,499	3,719	4,007	4,582	4,582	-	-	-	-
3.3: To improve local mobility in the towns of the municipality	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	S3O3		27,073	28,006	29,601	33,734	34,143	34,143	-	-	-	-
3.4: To alleviate poverty	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	S3O4		1,631	1,497	1,756	1,912	1,871	1,871	-	-	-	-
4.1: To promote healthy life styles through the provision of sport and other facilities and opportunities	SG4: Promote a safe, healthy, educated and integrated community	S4O1		13,873	14,109	16,117	19,320	18,040	18,040	-	-	-	-
4.2: To promote a safe environment for all who live in and visit Bergervier	SG4: Promote a safe, healthy, educated and integrated community	S4O2		32,182	39,145	43,094	48,065	49,908	49,908	-	-	-	-
4.3: To create innovative partnerships with sector departments for improved education outcomes and opportunities for youth development	SG4: Promote a safe, healthy, educated and integrated community	S4O3		6,557	6,540	7,799	8,616	8,956	8,956	-	-	-	-
5.1: To develop, manage and regulate the built environment	SG5: A sustainable, inclusive and integrated living environment	S5O1		13,146	14,620	8,846	12,078	10,219	10,219	-	-	-	-
5.2: To conserve and manage the natural environment and mitigate the impacts of climate change on municipal functions	SG5: A sustainable, inclusive and integrated living environment	S5O2		4,123	4,439	5,165	5,797	5,796	5,796	-	-	-	-
<b>Allocations to other priorities</b>													
<b>Total Expenditure</b>				1	365,370	386,911	417,021	488,069	490,365	490,365	540,375	570,683	674,867



**Table 25 MBRR SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

WC013 Bergrivier - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>												
1.1: To budget strategically	SG1: Strengthen financial sustainability	G101										
1.2: Entrench the Long-Term Financial Plan in the planning, implementation and management of the organisation	SG1: Strengthen financial sustainability	G102										
1.3: Diversify revenue and ensure value for money services	SG1: Strengthen financial sustainability	G103								500	20	
1.4: Ensure sustainable financial risk and asset management	SG1: Strengthen financial sustainability	G104								3,500	1,250	850
1.5: Diversify by sourcing grant funding to support projects, programmes and initiatives of Council	SG1: Strengthen financial sustainability	G105										
1.6: Ensure transparency in financial management by ensuring that all financial records are accurate, reliable and timely	SG1: Strengthen financial sustainability	G106										
2.1: Create an efficient, effective, economic and accountable administration	SG2: Ensure good governance	G201								1,475	45	
2.2: Provide a transparent and corruption free municipality	SG2: Ensure good governance	G202										
2.3: Accountable leadership supported by professional and skilled administration	SG2: Ensure good governance	G203								10	20	20
2.4: Communicate effectively with the public	SG2: Ensure good governance	G204								10	10	10
2.5: A customer centred approach to everything	SG2: Ensure good governance	G205								150		
3.1: Develop and provide bulk infrastructure within the climate change risks	SG3: Sustainable service delivery	G301								29,878	2,009	2,000
3.2: Maintain existing bulk infrastructure and services	SG3: Sustainable service delivery	G302								49,148	55,473	54,900
3.3: Develop, manage and regulate the built environment	SG3: Sustainable service delivery	G303								1,300	2,207	848
3.4: Source alternative sources of energy in the context of national electricity provision	SG3: Sustainable service delivery	G304								640	850	950
3.5: Conserve and manage the natural environment and mitigate the impacts of climate change	SG3: Sustainable service delivery	G305										
4.1: Improve the regulatory environment for ease of doing business	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty	G401								1,440		
4.2: Promote tourism	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty	G402										
4.3: Alleviate poverty through job creation in municipal driven projects and programmes	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty	G403										
4.4: Ensure all policies and systems in Bergrivier Municipality support poverty alleviation	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty	G404								3,060		
4.5: Attract investment through catalytic infrastructure	SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty	G405										
5.1: To promote healthy lifestyles through the provision of sport recreational and other facilities and opportunities	SG5: Empowering people through innovation	G501								6,074	6,094	5,591
5.2: Promote continued partnerships for youth development	SG5: Empowering people through innovation	G502										
5.3: Promote a safe environment for all who live in Bergrivier Municipal Area	SG5: Empowering people through innovation	G503								3,606	1,025	1,800
5.4: Develop a Master Plan for "Smart Cities" in Bergrivier Municipal Area	SG5: Empowering people through innovation	G504								1,650	4,310	3,700
1.1: To budget strategically	SG1: Strengthen financial sustainability and further enhancing good governance	G101		220	1,329	9,845	1,310	1,011	1,011			
1.2: Grow and diversify our revenue and ensure value for money-services	SG1: Strengthen financial sustainability and further enhancing good governance	G102		1,307	866	2,523	1,625	1,459	1,459			
1.3: To create an efficient, effective, economic and accountable administration	SG1: Strengthen financial sustainability and further enhancing good governance	G103					500	592	592			
1.4: Client focussed service delivery	SG1: Strengthen financial sustainability and further enhancing good governance	G104										
1.5: To provide a transparent, ethical and corruption free municipality	SG1: Strengthen financial sustainability and further enhancing good governance	G105										
1.6: To communicate effectively with the public	SG1: Strengthen financial sustainability and further enhancing good governance	G106			773		180	173	173			
2.1: To develop and provide sustainable bulk and community infrastructure in support of the spacial development framework	SG2: Sustainable service delivery	G201		33,014	36,715	32,928	66,270	68,248	68,248			
3.1: To improve the regulatory environment for ease of doing business	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	G301										
3.2: To facilitate an environment for the creation of jobs and small businesses	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	G302										
3.3: To improve local mobility in the towns of the municipality	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	G303										
3.4: To alleviate poverty	SG3: Facilitate an enabling environment for economic growth to alleviate poverty	G304										
4.1: To promote healthy life styles through the provision of sport and other facilities and opportunities	SG4: Promote a safe, healthy, educated and integrated community	G401		2,574	5,004	5,779	10,300	10,046	10,046			
4.2: To promote a safe environment for all who live in and visit Bergrivier	SG4: Promote a safe, healthy, educated and integrated community	G402		1,954	1,288	648	960	847	847			
4.3: To create innovative partnerships with sector departments for improved education outcomes and opportunities for youth development	SG4: Promote a safe, healthy, educated and integrated community	G403		797	2,120	433	20	295	295			
5.1: To develop, manage and regulate the built environment	SG5: A sustainable, inclusive and integrated living environment	G501		1,016	1,555	637	1,990	2,331	2,331			
5.2: To conserve and manage the natural environment and mitigate the impacts of climate change on municipal functions	SG5: A sustainable, inclusive and integrated living environment	G502										
<b>Allocations to other priorities</b>			3									
<b>Total Capital Expenditure</b>			1	<b>40,882</b>	<b>49,649</b>	<b>52,794</b>	<b>83,155</b>	<b>85,001</b>	<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>

### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Council has developed and implemented a performance management system which is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

The following table sets out the municipalities main performance objectives and benchmarks for the 2023/24 MTREF.

**Table 26 MBRR SA7 - Measurable performance objectives**

WC013 Bergrivier - Supporting Table SA7 Measurable performance objectives

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Vote 1 - Municipal Manager</b>									
Function 1 - Municipal Managers Office									
Sub-function 1 -Municipal Managers Office									
Quarterly leadership development initiatives	4	4	4	4	4	4	4	4	4
Sub-function 2 - Strategic Services									
Client Services Survey	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 3 - Internal Audit									
Approved Risk Based Audit Plan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Vote 2 -Finance</b>									
Function 1 -Director Finance									
Sub-function 1 - Revenue									
Improve debtor management and revenue	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Sub-function 2 - Expenditure									
December 2015	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 3 - Budget and Treasury									
month	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Vote 3 -Corporate Services</b>									
Function 1 - Director Corporate Services									
Sub-function 1 - Administration									
standardisation by 30 March 2015									
Sub-function 2 - Human Resources									
management in approved format	400.0%	400.0%	400.0%	400.0%	400.0%	400.0%	400.0%	400.0%	400.0%
Sub-function 3 -Planning and Development									
Compile Zoning Scheme By-law									
<b>Vote 4 -Technical Services</b>									
Function 2 - Director Technical Services									
Sub-function 1 -Water									
Restrict annual water losses to 10%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Sub-function 2 - Electricity									
Restrict annual electricity losses to 10%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Sub-function 3 - Roads									
grant by 31 March 2016	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 4 - Waste management									
approved dumping sites through the recycling	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Sub-function 5 - Project management									
Expenditure on MIG Funding	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Vote 5 -Community Services</b>									
Function 2 - Director Community Services									
Sub-function 1 -Traffic Services									
Collect 95% of budgeted income by 30 June 2019	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Sub-function 2 - Fire Fighting									
Fire Safety compliance inspections	24	24	24	24	24	24	24	24	24
Sub-function 3 - Housing									
updating applications received within 14 calendar	12	12	12	12	12	12	12	12	12
Sub-function 4 - Libraries									
terms of the approved business plan [(Actual amount	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Sub-function 5 - Community Facilities									
Spend 95% of the Capital budget by 30 June 2019	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
And so on for the rest of the Votes									

**Table 27 MBRR SA8 - Performance indicators and benchmarks**

**WC013 Bergvriev - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	5.7%	5.6%	6.2%	6.1%	7.0%	7.0%	7.0%	7.6%	7.5%	6.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.6%	5.4%	6.1%	6.3%	7.3%	7.3%	7.3%	7.8%	7.6%	6.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	31.7%	50.9%	44.7%	67.8%	66.8%	66.8%	66.8%	58.8%	59.0%	59.2%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	3.3	3.1	3.5	3.1	3.3	3.3	3.3	3.1	3.1	3.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.3	3.1	3.5	3.1	3.3	3.3	3.3	3.1	3.1	3.1
Liquidity Ratio	Monetary Assets/Current Liabilities	2.6	2.5	2.8	2.5	2.6	2.6	2.6	2.5	2.4	2.4
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		129.2%	133.4%	128.1%	129.1%	130.1%	130.1%	130.1%	129.8%	128.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		129.2%	133.4%	128.1%	129.1%	130.1%	130.1%	130.1%	129.8%	128.7%	128.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.0%	15.0%	14.3%	11.4%	13.4%	13.4%	13.4%	12.6%	11.8%	9.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		29.1%	23.2%	23.1%	27.3%	24.7%	24.7%	24.7%	24.1%	22.7%	20.7%
<b>Other Indicators</b>											
	Total Volume Losses (kW) technical	6805358	10168523	11681548	12849800	12849800	12849800	12849800	12849800	12849800	11681548
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated	8%	12%	10.9%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	10.9%
	Bulk Purchase										
	Water treatment works										
	Natural sources										
Water Volumes :System input	Total Volume Losses (kt)	271	349	375	380	380	380	380	380	380	349
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	13%	15.9%	13.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	15.9%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.4%	34.1%	34.3%	35.3%	34.0%	34.0%	34.0%	34.6%	33.6%	29.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.2%	35.7%	35.9%	36.8%	35.5%	35.5%	35.5%	35.9%	35.0%	31.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.0%	5.6%	6.0%	6.0%	6.3%	6.3%	6.3%	6.4%	6.6%	5.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.2%	9.4%	10.7%	10.2%	11.1%	11.1%	11.1%	11.2%	10.7%	9.3%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	31.8	25.8	20.7	18.5	18.5	18.5	14.6	15.0	14.7	17.6
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19.9%	21.5%	19.6%	14.5%	19.0%	19.0%	19.0%	17.0%	15.4%	14.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.8	5.1	4.9	3.6	4.0	4.0	4.0	3.7	3.7	3.4

## **Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Council. The National Treasury determined the poverty threshold as two times the government old age pension and the indigent subsidy received through the equitable share is intended to subsidise the households that meet the qualification criteria. In the case of Bergrivier municipality, the council has adopted a policy whereby the qualifying threshold was extended to provide subsidies to households earning twice the government old age pension plus 40%. This level of subsidy is unfortunately unsustainable in the long run and the threshold has again been capped at a combined household income of R5000 per month which is still nearly 40% more than the threshold determined by the National Treasury.

In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 Kwh of electricity, sanitation and free waste removal once a week, as well as a discount on their property rates. It is anticipated that approximately 2257 households will receive indigent subsidy in the 2023/2024 financial year.

The subsidy policy is further enhanced to include a subsidy in respect of patients on life support systems where 100 units of free electricity will be allocated per month subject to the qualifying criteria as set out in the indigent policy.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement).

### **2.4 Overview of budget related-policies**

The Council budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following policies forms part of the budget document and has been reviewed as indicated in the undermentioned summary of changes made:

## **CHANGES TO BUDGET RELATED POLICIES 2023/2024**

### **VIREMENT POLICY**

**Page 4 – Changes are proposed in the following paragraphs as indicated hereunder** (Strikethrough indicates deletion and words in **RED** are additions)

- 3.8.2 In the case of the Bergrivier Municipality the definition of Vote is set at Directorate level, with the exception being tariff funded services as a result of their closed account nature e.g. Electricity (*Cost Centre 621&622*), Water (*Cost Centre 511&512*), Waste Management (*Cost Centre 171&172*) and Waste Water Management (*Cost Centre 291&292*). In these cases “vote” is set at cost center level.

## 7 CAPITAL BUDGET VIREMENT

### 7.1 Specific virement limitations

7.1.5 No virements are allowed between projects that are funded from external loans.

7.1.6 No virements will be allowed from specific priority service delivery areas as identified by Council from time to time

## CASH AND INVESTMENT POLICY

Page 16 – Changes are proposed in the following paragraph as indicated hereunder (Strikethrough indicates deletion and words in RED are additions)

### 7.5.1 Credit Worthiness:

- i. Prior to investing in all ~~smaller~~ registered financial institutions, the Investment Committee must ensure that the Council is not over-exposed and should satisfy itself as to the credit-worthiness ~~as per Moody's and Standard & Poor credit ratings that's applicable to the banks in South Africa. and previous track record of the institution before placing funds.~~ as per Moody's and Standard & Poor credit ratings that's applicable to the banks in South Africa.

## CHANGES TO SCM RELATED POLICIES FOR 2023 – 2024

### SUPPLY CHAIN MANAGEMENT POLICY

#### Page 3 – Line was deleted

#### ~~27.A.7.1 Sub-contracting as a condition of tender~~

Page 9 – paragraph deleted

~~"Functionality" functionality requirements means the measurement according to requirements predetermined norms, as set out in the tender specification, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;~~

#### Page 10 – deleted line

~~"Local content" means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;~~

#### Page 20 – following deleted

- (b) ~~The current thresholds for the Tourism and Construction Sector charters are R2.5 million and R1.5 million respectively.~~

- ~~(c) Exempted Micro Enterprises are deemed to possess a B-BBEE Status of "Level Four Contributor", having a B-BBEE procurement recognition of 100%.~~
- ~~(d) An Exempted Micro Enterprise qualifies for a promotion to a B-BBEE Status of "Level Three Contributor" having a B-BBEE procurement recognition of 110% if it is more than 50% owned by black people or by black women.~~
- ~~(e) Exempted Micro Enterprises are allowed to be measured in terms of the QSE scorecard contained in the applicable code of good practice in the event of them wishing to maximize their points and move to the next procurement recognition level.~~

Page 23 – deleted some words in (b)ii

## 16. Written or verbal price quotations

The conditions for the procurement of goods or services through written or verbal quotations are as follows:

- (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality or of the CSD, provided that if quotations are obtained from providers who are not so listed, such providers must meet the - criteria set out in paragraph 14(2) of this Policy;
- (b) Following are possible examples of not being in a position to obtain three written or verbal quotations namely:-
  - i. Publication of official and legal notices as well as advertisements in the media,
  - ii. ~~Disciplinary hearings (Appointment of a Chairperson), as per delegation 70, the Municipal Manager may appoint a legal person to institute and defend any legal processes/proceedings and claims by or against Council, in any court of law, including the initiation, dealing with or settlement of such proceedings, training events,~~ corporate branding and artwork , courses, seminars, membership fees, Doctor consultations, medical specialists, local travel agencies, accommodation, re-location costs, subscription, tow in services, services agents, franking machine postage, library books, books, monitoring of alarms, advertisements, ~~motivational speakers, Artists,~~ subscription fees, security services in case of emergency or as determined by the Manager: Expenditure & SCM.

Page 26 – Added

- (e) All goals set in the PPPFA Policy of Council must be considered when doing the evaluation.

Page 27 – removed

- ~~(v) relevant local content or production requirements.~~

Page 32 – Change to amount

### 27.A.3 80/20 Preference Points System for acquisition of goods or services for Rand value equal to or above ~~R30 000~~ R10 000 and up to R50 million

Page 33 – Change made deleted and added

In respect of Exempted Micro Enterprises (EME's)

<b>Black Ownership of EME</b>	<b>Deemed B-BBEE Status Level of Contributor</b>	<b>Number of Preference Points</b>
More than 50%	2	18
Less than 50%	4	12

(iii) a maximum of 20 points may be allocated under subparagraph to points scored.

(iv) the points scored by a tenderer in respect of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i);

(3.2) The B-BBEE status level attained by a tenderer must be used to determine the number of points contemplated in subparagraph 3.1 (ii).

**Page 34 and page 35 – added and deleted**

- (a) may only score points out of 80 for price; and
- (b) scores 0 points out of 20 for B-BBEE divided by two.

(3.5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

(3.6) The points scored must be rounded off to the nearest two decimal places.

(3.7) Subject to sub regulation (7)(9) and regulation 11 of the PPPFA Regulations of 2017 (paragraphs 29.3.8 and 29.7.3 respectively), the contract must be awarded to the tenderer scoring the highest points.

- (3.8)
- (a) If the price offered by a tenderer scoring the highest points is not market-related, the municipality may not award the contract to that tenderer.
  - (b) The municipality may –
    - (i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
    - (ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
    - (iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender
  - (c) If a market-related price is not agreed as envisaged in paragraph (b)(iii), the municipality must cancel the tender

(3.9) Regarding par 9(a) at least 50% of the 20/10 points will be allocated to promote this goal and points will be allocated in terms of the BBEE scorecard as follows.

<b>B-BBEE Status Level of Contributor</b>	<b>Number of Points for Preference (80/20)</b>	<b>Number of Points for Preference (90/10)</b>
---	--	--



1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant contributor	0	0

A tenderer must submit proof of its BBBEE status level contributor [scorecard].

A tenderer failing to submit proof of BBBEE status level of contributor – may only score in terms of the 80/90-point formula for price; and

scores 0 points out of 10/5 BBBEE status level of contributor, which is in line with section 2 (1) (d) (i) of the Act, where the supplier or service provider did not provide proof thereof.

Regarding par 9(b) a maximum of 50% of the 20/10 points will be allocated to promote this goal. Points will be allocated as follows :

B-BBEE status Level of Contributor	Number of Points for Preference 80/20	Number of Points for Preference (90/10)
1	10	5
2	9	4.5
3	7	3
4	6	2.5
5	4	2
6	3	1.5
7	2	1
8	1	.05
Non-compliant contributor	0	0

Locality of supplier/ Local Labour	Points (80/20)	Points (90/10)
Within the boundaries of the municipality	5	3
Within the boundaries of the Western Cape District Municipality	3	1
Within the Western Cape Province	2	1

Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender.

A tenderer failing to submit proof of required evidence to claim preferences for other specified goals, which is in line with section 2 (1) (d) (ii) of the Act.

- (i) may only score in terms of the 80/90-point formula for price; and
- (ii) scores 0 points out of 10 or 5 for the relevant specific goals where the supplier or service provider did not claim.

The preference points scored by a tenderer must be added to the points scored for price.

The points scored must be rounded off to the nearest two decimal places.

The contract must be awarded to the tenderer scoring the highest procurement points.

Evidence of residence must be submitted by the Supplier and will be verified by the Bergrivier Municipality.

## Payment cycles

The payment of invoices is dependent on timely invoicing, approval of invoices and on the payment administration. Responsible officials must process approved invoices within 30 days of receiving the invoice, unless otherwise provided for in the contract.

Reasons for not approving an invoice must be communicated to the tenderer prior to the lapsing of the said 30 days.

Officials must endeavour to, where feasible, process invoices of SMME's within 5-7 working days in order to promote their cash flow position. Invoices must be submitted before 10:00 on a Wednesday, to facilitate timely payment.

- 3) An organ of state which has cancelled a tender invitation as contemplated in sub-regulations (1) and (2) must re-invite tenders and must, in the tender documents, stipulate the preference point system to be applied.
- 4) An organ of state may, prior to the award of a tender, cancel a tender if -
  - a) due to changed circumstances, there is no longer need for the goods or services tendered for; or
  - b) funds are no longer available to cover the total envisaged expenditure; or

## Page 37 – Deleted

In respect of Exempted Micro Enterprises (EME's)

Black Ownership of EME	Deemed B-BBEE Status Level of Contributor	Number of Preference Points
More than 50%	2	9
Less than 50%	4	5

- (i) a maximum of 10 points may be allocated under subparagraph (ii). Points scored.
- (iv) ~~the points scored by a tenderer in respect of the level of B-BBEE contribution contemplated in subparagraph (ii) must be added to the~~

~~points scored for price as calculated in accordance with subparagraph (i);~~

~~(4.2) The B-BBEE status level attained by a tenderer must be used to determine the number of points contemplated in subparagraph 4.1 (ii).~~

**Page 38 and Page 39 – added and deleted**

- ~~(a) may only score points out of 90 for price; and~~
- ~~(b) scores 0 points out of 10 for not a certificate divided by two.~~

~~(4.5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.~~

~~(4.6) The points scored must be rounded off to the nearest two decimal places.~~

~~(4.7) Subject to sub-regulation (7)(9) and regulation 11 of the PPPFA Regulations of 2017 (paragraphs 29.4.8 and 29.7.3 respectively), the contract must be awarded to the tenderer scoring the highest points.~~

**Page 39 and Page 40 added and deleted**

**4.9) FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME-GENERATING PROCUREMENT POINTS AWARDED FOR PRICE**

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 or 90/10

$$P_s = 80 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right) \text{ or } P_s = 90 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Price of bid under consideration

$P_{max}$  = Price of highest acceptable bid

**27.A.5 Local Production**

~~(5.1) Where, in the case of tenders in designated sectors, local production and content is of critical importance, the tender specification must clearly state, as a condition of tender, that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content, will be considered.~~

~~(5.2) The tender specification must also stipulate:~~

- ~~(a) that the exchange rate to be used for the calculation of local content or local production will be the exchange rate published by the South African Reserve Bank at 12:00 on the date the tender was advertised;~~
- ~~(b) that only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x will be used to calculate local content in accordance with the following formula~~

~~Where x — importe content~~

~~and that the prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank at 12:00 on the date the tender was advertised;~~

- ~~(c) that the Form MBD 6.2 (Declaration Certificate for Local Content) duly complete and signed must form part of the bid documentation;~~
- ~~(d) that the municipality reserves the right to verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the aforesaid Certificate.~~

~~(5.3) The accounting officer may decide to include in any invitation to bid a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by National Treasury in consultation with the Department of Trade and Industry and, in such event, the requirements stipulated in subparagraph~~

~~5.2 shall be inserted in the tender specification.~~

~~(5.4) Where necessary, bid specifications for tenders referred to in subparagraph~~

~~5.1 may state that a two stage tendering process will be followed, where the first stage will involve functionality and minimum threshold for local production and content and the second stage price and B-BBEE with the possibility of price negotiations only with the short listed tenderers with a view to effecting cost savings in circumstances where the tendered prices are obviously inflated or to ensure the award of the tender concerned within budgetary constraints provided that, where such negotiations take place, the principles contained in paragraph 25.1 of this policy shall be applied.~~

~~(5.5) Any tender specification issued in terms of this subparagraph must be capable of being measured and audited.~~

~~(5.6) A tender that fails to meet the minimum stipulated threshold for local production and content is an unacceptable tender.~~

## **27.A.6 B-BBEE status level certificates and scorecards**

Bid specifications must state that:

- (ii) Tenderers other than Exempted Micro-Enterprises (EME's) must submit, with their tender, their original and valid B-BBEE Status Level Verification Certificate complying at least with the provisions subparagraphs (v) and (vi), or a certified copy thereof, in support of their B-BBEE rating.
- (iii) A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided it submits its B-BBEE Status Level Verification Certificate with its tender.

Page 39

### 27.A.7.1 Sub-contracting as a condition of tender

- (a) ~~If feasible to subcontract for a contract above R30 million, the municipality must apply subcontracting to advance designated groups.~~
- (b) ~~If an organ of state applies subcontracting as contemplated in paragraph (a), the municipality must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to:
 
  - ~~(i) an EME or QSE;~~
  - ~~(ii) an EME or QSE which is at least 51% owned by black people;~~
  - ~~(iii) an EME or QSE which is at least 51% owned by black people who are youth;~~
  - ~~(iv) an EME or QSE which is at least 51% owned by black people who are women;~~
  - ~~(v) an EME or QSE which is at least 51% owned by black people with disabilities;~~
  - ~~(vi) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;~~
  - ~~(vii) a cooperative which is at least 51% owned by black people;~~
  - ~~(viii) more than one of the categories referred to in subparagraphs (i) to (vii).~~~~
- (c) ~~The municipality must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in paragraph (b) from which the tenderer must select a supplier~~
- (d) The municipality may apply similar subcontracting principles as outlined in paragraph (a) and (b) the CIDB requirements for tenders below R30 million with the minimum percentage of subcontracting determined per individual tender.

### 27.A.7.2 Sub-contracting after award of tender

- (a) ~~A person awarded a contract may only enter into a subcontracting arrangement with the approval of the municipality.~~
- (b) ~~A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an exempted micro enterprise that has the capability and ability to execute the sub-contract.~~

(#) Upon detecting that a tenderer submitted false information regarding its BBBEE status level of contributor, ~~local production and content, or any other matter required in terms of the PPPFA~~

(5) **Before the appointment of a consultant the reduction evaluation must be completed by the User Department.**

## **(1) CONSEQUENCE MANAGEMENT – SECTION 175 OF THE MFMA**

The code of ethical standard shall apply to all officials and other role players in the supply Chain management system of the municipality in order to promote -

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

A breach of the aforesaid code of ethics must be dealt with as follows -

- (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1 )(h) of the Municipal Systems Act;
- (b) in the case a role player who is not an employee, through other appropriate means with due regard to the severity of the breach;
- (c) in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

### POLICY FOR CREDITORS, STAFF AND COUNCILLOR PAYMENTS

Page 7 – the following was added

- When an order was issued for a certain quantity and specific items, the User Department cannot decide to take other items or quantities that is not on the order. If this would appear that items have been swapped for other items other than on the official order, the employee will be held responsible to pay for the items taken without an official order.

### TOTAL NEW DEVELOPED POLICY

## **CONSULTANT REDUCTION STRATEGY 2023/2024**

### **KREDIETBEHEER & SKULDINVORDERINGSBELEID**

4.6 Die onus berus by die skuldenaar om 'n opgawe van sy of haar rekeninge te verkry sodat dit voor of op datum van betaling vereffen kan word. **Die nie-ontvangs van 'n rekening vrywaar nie die skuldenaar om sy rekening betyds te vereffen nie.**

7.2.3	<b>0 – 30 dae uitstaande</b>	<b>0%</b>
	<b>31 – 60 dae uitstaande</b>	<b>50%</b>
	<b>61 – 90 dae uitstaande</b>	<b>50%</b>
	<b>91 – 120 dae uitstaande</b>	<b>50%</b>
	<b>120 dae plus uitstaande</b>	<b>50%</b>
	<b>Uitstaande reëlingspaaielemente</b>	<b>50% (ongeaag dae uitstaande)</b>

- **Die vermindering van water sal as laaste uitweg gebruik word, veral waar geen alternatiewe dienste is wat gestaak kan word nie. Verbruiker sal kennisgewing kry met grasie tyd waarbinne reëlings getref kan word.**

**8.3.1 Deernis gevalle word vrygestel van enige rente gehef op agterstallige rekeninge, maar nie van kredietbeheer stappe nie.**

#### **RATES POLICY**

**13.2 Property owners who receive a pension from the Department of Social Services (SASSA), as indicate in Paragraph 13(2)(ii), will be regarded as a permanent indigent household from 1 July 2023, and will no longer have to renew the application, unless the circumstances change. All other application is valid until 30 June.**

#### **TARIEF BELEID**

**GEEN**

#### **DEERNISBELEID**

**4.1.4 Vanaf 1 Julie 2023 sal die aansoeker ‘n permanente deernis geval word, en sal die aansoeker nie weer hoof aansoek te doen totdat die omstandighede verander nie.**

**5.3.1** ~~die huishouding op 'n jaarlikse grondslag, gereken vanaf die datum waarop die finansiële bystand toegestaan word,~~ **alle huishoudings soos gemeld in paragraaf 3.1 (a & c) jaarlikse voor 30 Junie** aan die Direkteur: Finansiële Dienste en tot sy bevrediging, bewys lewer dat so 'n huishouding steeds aan die vereistes van paragraaf 2 voldoen

## 2.5 Overview of budget assumptions

### Key Financial Indicators

Budget assumptions and parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets. The assumptions and principles applied in the development of this budget are mainly based upon guidelines from National Treasury (expenditure growth) and other external bodies such as the National Electricity Regulator of South Africa (NERSA) and West Coast District Municipality. The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury determines the ceiling of year-on-year increases in the total operating budget, whilst the National Electricity Regulator (NERSA) regulates electricity tariff increases. Various government departments also affect municipal service delivery through the level of grants and subsidies as well as their activities within the region.

There are five key factors that have been taken into consideration in the compilation of the 2023/24 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Bergrivier Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of employment for 2023/2024.

An average tariff increase could not be recommended as the principle of cost reflective tariffs are applied where possible and especially where it is clear that a service is not viable and unsustainable in the long term. Electricity tariffs are still subjected to NERSA guidelines and are therefore determined in accordance with the guidelines given.

The increase in tariffs are was required to ensure that the tariffs cover the cost of the services and various cost drivers have been considered. The increases are above the current inflationary trends and exceed the National Treasury guideline therefore a full motivation is provided in respect of each tariff exceeding the guideline. The main cost drivers of the tariff increase are the increase in cost of employment through notch increases, provision for the filling of critical vacancies, and other cost drivers associated with the rendering of goods and services by the municipality such as high fuel price increases, increasing interest rates, increase in the cost of commodities, scarcity of certain products due to the war in the Ukraine, the volatility in the markets, contractual obligations and other pre-determined and regulated price adjustments and legislated tariffs, fees and charges.



The following key assumptions underpinned the preparation of the medium-term budget:

<b>Description</b>	<b>2023/24</b>
	<b>%</b>
Inflation rates - CPI	3.9% to 6%
Growth	2 -3%
Provision for Doubtful Debt	4 - 5%
Remuneration increase	5.4% + 2.4% (Notch)
Electricity distribution loss	10%
Electricity price increase	15.10%
Water distribution loss	15%

### 2.5.1 Collection rate for revenue services

The base assumption is that tariffs will increase at a rate higher than CPI over the medium term. It is assumed that the COVID - 19 pandemic will have an ongoing negative effect on the economy and economic growth, the current economic conditions therefore remain volatile and unpredictable, revenue estimations remain conservative and revenue performance may require adjustments during the course of the financial year ahead.

The rate of revenue collection is currently expressed as a percentage (95.77 percent) of annual billing. Cash flow is also assumed to be 95.77percent of billing, it is doubtful whether inroads will be made in the collection of arrears debt over the short term as the current economic circumstances are not supportive of the debt collection efforts. No additional cash flow from arrears debt is anticipated over the short term and adjustments in this regard will only be reconsidered once revenue trends indicate an upward movement.

It is anticipated that the combined efforts of the revenue enhancement program, coupled to a slight anticipated growth in the area will add approximately 2% in revenue from consumer services.

### 2.5.2 Salary increases

A collective agreement in respect of salaries and wages for the next 3 years have been concluded, the general salary increase for the 2023/2024 financial year amounts to 5.4% in accordance with the collective agreement.

Provision is also made for a notch increase of 2.4 percent to employees who have not reached the maximum notch of their respective salary scales in the 2023/2024 financial year.

### 2.5.3 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 percent is achieved on operating expenditure and 95 percent on the capital programme for the 2023/24 MTREF of which performance has been factored into the cash flow budget.

## 2.5.4 Cost containment measures

The municipality has developed and adopted a Cost Containment Policy in accordance with the principles contained in the Regulations. Due to the fact that no baseline existed against which cost reduction or containment could be measured, the reporting is required by the regulation remain an issue that needs to be addressed.

## 2.6 Overview of budget funding

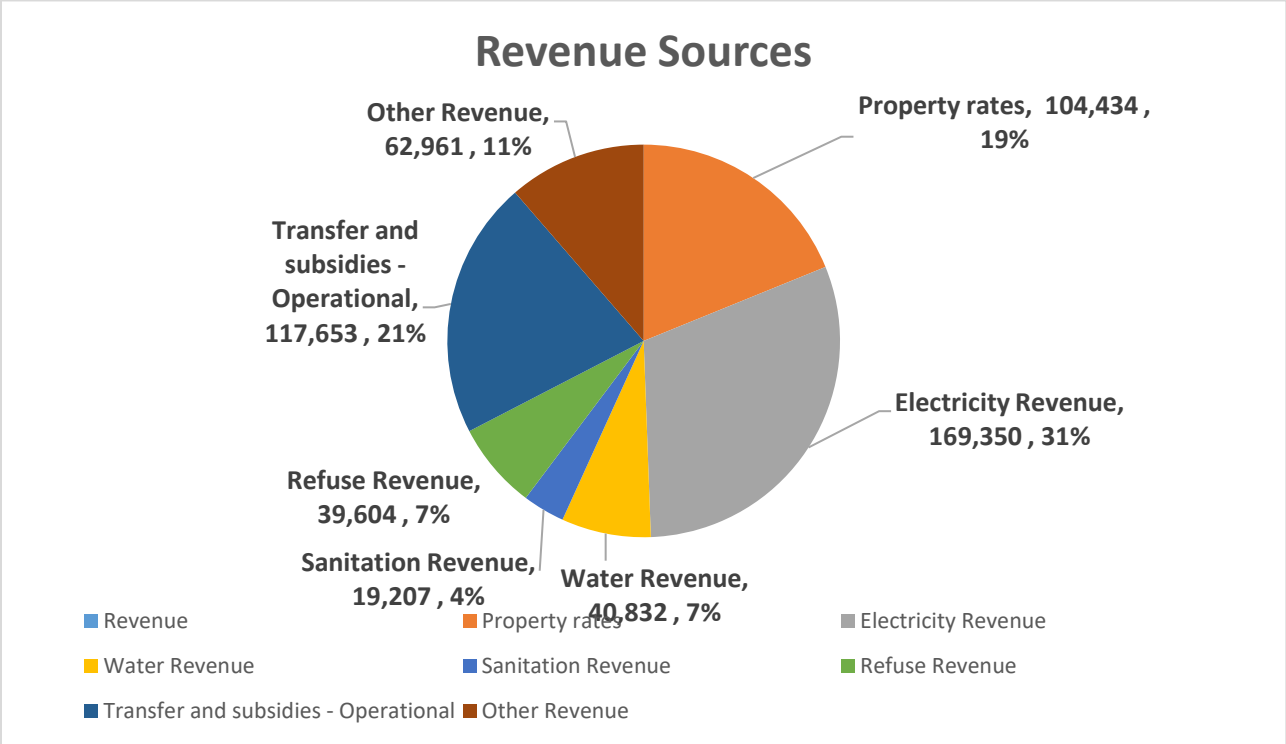
### 2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium term:

**Table 28 Breakdown of the operating revenue over the medium-term.**

Description	2023/24 Medium Term Revenue & Expenditure Framework				
	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26
<b>R thousand</b>					
<b>Revenue</b>					
<b>Exchange Revenue</b>					
Service charges - Electricity	168,206	10.44%	185,766	8.99%	202,457
Service charges - Water	40,832	7.76%	44,000	7.26%	47,195
Service charges - Waste Water Management	19,207	8.78%	20,893	9.18%	22,811
Service charges - Waste Management	39,604	16.56%	46,162	9.39%	50,496
Sale of Goods and Rendering of Services	8,951	5.47%	9,441	2.37%	9,665
Agency services	4,925	5.02%	5,172	5.01%	5,431
Interest earned from Current and Non Current Assets	11,533	9.12%	12,585	6.00%	13,340
Rental from Fixed Assets	1,669	5.93%	1,768	5.88%	1,872
Licences and permits	82	6.10%	87	5.75%	92
Operational Revenue	1,957	4.19%	2,039	6.42%	2,170
<b>Non-Exchange Revenue</b>					
Property rates	104,434	7.00%	111,744	5.98%	118,428
Fines, penalties and forfeits	24,344	4.84%	25,522	4.99%	26,796
Transfer and subsidies - Operational	92,430	-3.23%	89,449	81.87%	162,677
Interest earned from Receivables	6,200	1.10%	6,268	6.00%	6,644
Gains on disposal of Assets	500	-100.00%	-		-
Other Gains	2,800	4.50%	2,926	4.72%	3,064
Discontinued Operations					
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>527,674</b>		<b>563,822</b>		<b>673,138</b>

**Figure 1 Main operational revenue per category**



The tables below provide detail investment information and investment particulars by maturity.

**Table 29 MBRR SA15 – Detail Investment Information**

**WC013 Bergvriev - Supporting Table SA15 Investment particulars by type**

Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		60,159	132,574	120,778	100,000	100,000	100,000	100,000	100,000	100,000
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		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	<b>60,159</b>	<b>132,574</b>	<b>120,778</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Entities</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>60,159</b>	<b>132,574</b>	<b>120,778</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

**Table 30 MBRR SA16 – Investment particulars by maturity**

**WC013 Bergvriev - Supporting Table SA16 Investment particulars by maturity**

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<b>Parent municipality</b>														
ABSA			call	yes	fixed interest rate					10,458	491	-	-	10,949
Netbank			Fixed	yes	fixed interest rate	5.28%			12 July 2022	30,217	48	(30,265)	-	-
ABSA			Fixed	yes	fixed interest rate	5.87%			25 September 2022	40,051	527	(40,578)	-	-
Standard Bank			Fixed	yes	fixed interest rate	5.88%			25 September 2022	40,052	541	(40,592)	-	-
Standard Bank			Fixed	yes	fixed interest rate	5.90%			06 September 2022		401	(40,401)	40,000	-
Netbank			call	yes	fixed interest rate	6.45%			14 November 2022		219	(20,219)	20,000	-
Standard Bank			Fixed	yes	fixed interest rate	6.70%			13 December 2022		496	(30,496)	30,000	-
ABSA			Fixed	yes	fixed interest rate	7.98%			27 March 2023		1,338	-	40,000	41,338
Netbank			Fixed	yes	fixed interest rate	7.93%			27 March 2023		1,338	-	40,000	41,338
Standard Bank						0.0855			21 June 2023		647	-	40,000	40,647
<b>Municipality sub-total</b>										<b>120,778</b>		<b>(202,552)</b>	<b>210,000</b>	<b>134,272</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									<b>120,778</b>		<b>(202,552)</b>	<b>210,000</b>	<b>134,272</b>

## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

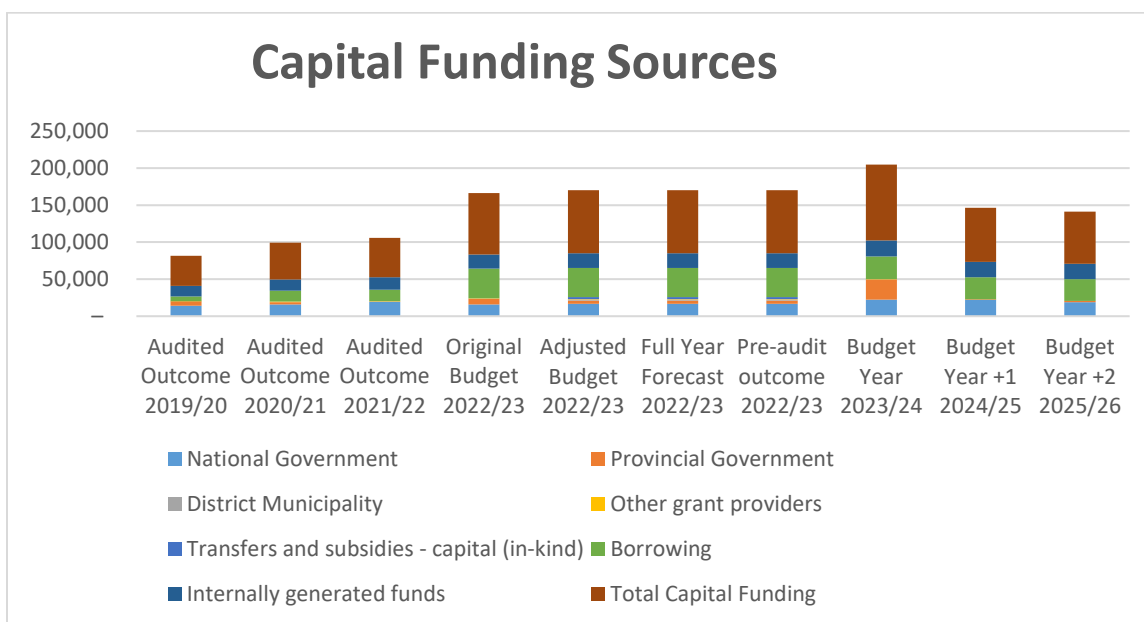
**Table 31 Sources of capital revenue over the MTREF**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
<b>Funded by:</b>											
National Government		14,291	15,736	19,324	15,971	16,611	16,611	16,611	22,362	21,955	18,959
Provincial Government		5,862	3,397	480	7,640	4,541	4,541	4,541	27,269	1,000	1,500
District Municipality		-	-	-	-	1,583	1,583	1,583	-	-	-
Other grant providers		41	660	234	528	648	648	648	240	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	2,250	2,250	2,250	-	-	-
<b>Transfers recognised - capital</b>	4	<b>20,193</b>	<b>19,793</b>	<b>20,038</b>	<b>24,139</b>	<b>25,634</b>	<b>25,634</b>	<b>25,634</b>	<b>49,871</b>	<b>22,955</b>	<b>20,459</b>
<b>Borrowing</b>	6	<b>6,306</b>	<b>14,504</b>	<b>15,757</b>	<b>40,000</b>	<b>39,630</b>	<b>39,630</b>	<b>39,630</b>	<b>30,910</b>	<b>29,700</b>	<b>29,700</b>
<b>Internally generated funds</b>		<b>14,383</b>	<b>15,352</b>	<b>16,999</b>	<b>19,016</b>	<b>19,737</b>	<b>19,737</b>	<b>19,737</b>	<b>21,660</b>	<b>20,658</b>	<b>20,510</b>
<b>Total Capital Funding</b>	7	<b>40,882</b>	<b>49,649</b>	<b>52,794</b>	<b>83,155</b>	<b>85,001</b>	<b>85,001</b>	<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>

The table above indicate that the bulk of the capital budget is funded through own sources being Capital Replacement Reserve and External Borrowing.

The above table is graphically represented as follows for the 2023/24 financial year.

**Figure 2 Main sources of capital revenue**



### Sources of capital revenue for the 2023/24 financial year

The following table is a detailed analysis of the Council's long term borrowing liability.

**Table 32 Detail of borrowings**

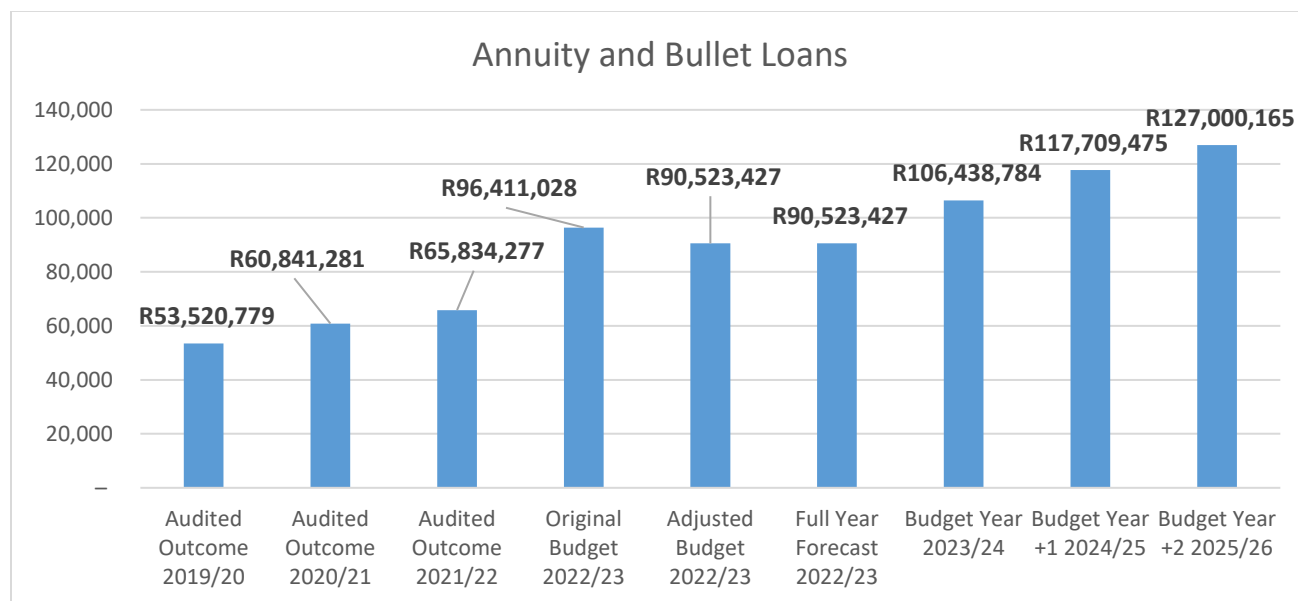
**WC013 Bergrivier - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Parent municipality</b>										
Annuity and Bullet Loans		53,521	60,841	65,834	96,411	90,523	90,523	105,013	116,393	125,794
<b>Municipality sub-total</b>	1	53,521	60,841	65,834	96,411	90,523	90,523	105,013	116,393	125,794
<b>Total Borrowing</b>	1	53,521	60,841	65,834	96,411	90,523	90,523	105,013	116,393	125,794
<b>Unspent Borrowing - Categorised by type</b>										
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)		345	1,540	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	345	1,540	-	-	-	-	-	-	-

**Growth in outstanding borrowing (long-term liabilities)**

The following graph illustrates the growth in outstanding borrowing for the period 2019/20 to 2025/26. The gearing ratio remains in a narrow band with gearing not exceeding 23% over the MTREF

**Figure 3 Growth in borrowing 2019/2020 to 2025/2026**



**Table 33 MBRR SA17 Borrowing**

**WC013 Bergrivier - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Parent municipality</b>										
Annuity and Bullet Loans		53,521	60,841	65,834	96,411	90,523	90,523	105,013	116,393	125,794
<b>Municipality sub-total</b>	1	53,521	60,841	65,834	96,411	90,523	90,523	105,013	116,393	125,794
<b>Total Borrowing</b>	1	53,521	60,841	65,834	96,411	90,523	90,523	105,013	116,393	125,794
<b>Unspent Borrowing - Categorised by type</b>										
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)		345	1,540	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	345	1,540	-	-	-	-	-	-	-

**2.6.3 Cash Flow Management**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves the level of understanding for councillors and management.

In order to enhance cash flow over the MTREF, a new funding mix methodology was adopted, where cash generated from operations are retained to a larger extent over the MTREF than what was previously done. This will add in improving the liquidity position of the municipality and will also ensure that sufficient liquid resources are available to cover operational requirements in the short and medium term.

The funding methodology will also ensure that the “user pays” principle is ascribed to where current users of services are footing the bill for the capital investment required to deliver the service.

**Table 34 MBRR A7 Budgeted cash flow statement**

WC013 Bergrivier - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		67,655	78,217	83,108	89,143	89,143	89,143	89,143	102,615	109,798	116,365
Service charges		173,841	191,435	214,279	241,842	232,482	232,482	232,482	256,558	284,219	309,244
Other revenue		17,331	24,341	22,229	22,932	22,172	22,172	22,172	23,136	24,297	25,268
Transfers and Subsidies - Operational	1	63,956	73,741	64,535	73,909	74,820	74,820	74,820	92,430	89,449	162,677
Transfers and Subsidies - Capital	1	20,193	19,793	20,038	24,139	20,383	20,383	20,383	49,871	22,955	20,459
Interest		7,688	5,642	7,429	10,433	13,279	13,279	13,279	17,700	18,818	19,947
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(270,099)	(299,488)	(349,255)	(396,866)	(393,543)	(393,543)	(393,543)	(433,165)	(460,457)	(559,565)
Interest		(6,528)	(6,569)	(7,206)	(7,802)	(7,938)	(7,938)	(7,938)	(11,259)	(11,898)	(12,323)
Transfers and Subsidies	1	(6,088)	(5,867)	(6,736)	(7,797)	(8,536)	(8,536)	(8,536)	(9,701)	(8,683)	(9,093)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>67,949</b>	<b>81,245</b>	<b>48,422</b>	<b>49,932</b>	<b>42,262</b>	<b>42,262</b>	<b>42,262</b>	<b>88,183</b>	<b>68,498</b>	<b>72,978</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		5,550	751	617	-	3,400	3,400	3,400	500	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(44,744)	(51,724)	(54,333)	(83,155)	(82,751)	(82,751)	(82,751)	(102,441)	(73,313)	(70,669)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(39,194)</b>	<b>(50,973)</b>	<b>(53,716)</b>	<b>(83,155)</b>	<b>(79,351)</b>	<b>(79,351)</b>	<b>(79,351)</b>	<b>(101,941)</b>	<b>(73,313)</b>	<b>(70,669)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		6,550	15,200	14,650	40,000	39,630	39,630	39,630	30,910	29,700	29,700
Increase (decrease) in consumer deposits		220	435	467	395	395	395	395	395	395	395
<b>Payments</b>											
Repayment of borrowing		(5,150)	(6,072)	(7,880)	(10,082)	(12,299)	(12,299)	(12,299)	(14,360)	(16,340)	(18,320)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>1,620</b>	<b>9,562</b>	<b>7,237</b>	<b>30,313</b>	<b>27,726</b>	<b>27,726</b>	<b>27,726</b>	<b>16,945</b>	<b>13,755</b>	<b>11,775</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2	71,438	101,812	141,646	126,447	143,588	143,588	143,588	134,225	137,413	146,354
Cash/cash equivalents at the year end:	2	101,812	141,646	143,588	123,537	134,225	134,225	134,225	137,413	146,354	160,439



## 2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

**Table 35 MBRR A8 - Cash backed reserves/accumulated surplus reconciliation**

WC013 Bergrivier - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	101,812	141,646	143,588	123,537	134,225	134,225	134,225	137,413	146,354	160,439
Other current investments > 90 days		0	0	0	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>101,812</b>	<b>141,646</b>	<b>143,588</b>	<b>123,537</b>	<b>134,225</b>	<b>134,225</b>	<b>134,225</b>	<b>137,413</b>	<b>146,354</b>	<b>160,439</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		5,033	8,753	4,563	-	-	-	-	-	-	-
Unspent borrowing		345	1,540	-	-	-	-	-	-	-	-
Statutory requirements	2	557	1,013	497	-	497	497	497	497	497	497
Other working capital requirements	3	(52,742)	(44,010)	(56,063)	(42,528)	(55,095)	(55,095)	(55,095)	(53,118)	(51,143)	(49,011)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	31,109	31,109	35,368	31,109	35,368	35,368	35,368	35,368	35,368	35,368
<b>Total Application of cash and investments:</b>		<b>(15,698)</b>	<b>(1,595)</b>	<b>(15,634)</b>	<b>(11,419)</b>	<b>(19,229)</b>	<b>(19,229)</b>	<b>(19,229)</b>	<b>(17,252)</b>	<b>(15,277)</b>	<b>(13,145)</b>
<b>Surplus(shortfall)</b>		<b>117,511</b>	<b>143,241</b>	<b>159,222</b>	<b>134,956</b>	<b>153,454</b>	<b>153,454</b>	<b>153,454</b>	<b>154,665</b>	<b>161,632</b>	<b>173,584</b>

## 2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. From the assessment it is clear that the budget of Bergrivier complies with the funding requirements as referred to in the legislative framework.

**Table 36 MBRR SA10 – Funding compliance measurement**

WC013 Bergrivier Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	101,812	141,646	143,588	123,537	134,225	134,225	134,225	137,413	146,354	160,439
Cash + investments at the yr end less applications - R'000	18(1)b	2	117,511	143,241	159,222	134,956	153,454	153,454	153,454	154,665	161,632	173,584
Cash year end/monthly employee/supplier payments	18(1)b	3	3.8	5.1	4.9	3.6	4.0	4.0	4.0	3.7	3.7	3.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	32,188	37,570	28,893	8,216	6,746	6,746	6,746	37,169	16,094	18,730
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	1.5%	6.0%	5.3%	(8.7%)	(6.0%)	(6.0%)	5.8%	3.7%	2.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	91.4%	95.3%	93.6%	92.9%	92.5%	92.5%	92.5%	92.7%	92.8%	92.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		12.0%	4.4%	8.9%	9.5%	9.5%	9.5%	9.2%	8.9%	8.8%
Capital payments % of capital expenditure	18(1)c;19	8	109.4%	104.2%	102.9%	100.0%	97.4%	97.4%	97.4%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	31.7%	50.9%	44.7%	67.8%	66.8%	66.8%	66.8%	58.8%	59.0%	59.2%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(12.3%)	16.1%	(12.4%)	15.0%	0.0%	0.0%	(2.5%)	(2.5%)	(2.7%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	1371.9%	41.2%	(29.2%)	41.2%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	5.4%	4.7%	5.2%	5.2%	5.4%	5.4%	5.4%	5.6%	5.6%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	12.4%	19.0%	10.7%	15.4%	15.5%	15.5%	0.0%	8.8%	12.1%	12.7%

### **Cash/cash equivalent position**

Bergrivier Municipality's forecasted cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements. In the case of Bergrivier this is positive for the over the entire MTREF.

### **Cash plus investments less application of funds**

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement.

### **Monthly average payments covered by cash or cash equivalents**

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of Bergrivier Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts, the COVID – 19 threat to the economy or the impact that the war in the Ukraine has on the world economy. The Municipality needs to achieve at least three month's cash coverage in the medium term, and then gradually move towards five months coverage. This measure will have to be carefully monitored going forward.

### **Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year.

It needs to be noted that a budgeted surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

### **Property Rates/service charge revenue as a percentage increase less macro inflation target**

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

### **Cash receipts as a percentage of ratepayer and other revenue**

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

### **Debt impairment expense as a percentage of billable revenue**

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

### **Capital payments percentage of capital expenditure**

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that creditors be paid within 30 days.

### **Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)**

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

### **Transfers/grants revenue as a percentage of Government transfers/grants available**

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100% could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. Bergrivier Municipality has budgeted for all transfers.

### **Consumer debtors change (Current and Non-current)**

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

### **Repairs and maintenance expenditure level**

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

### **Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorize each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarize and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.7 Expenditure on grants and reconciliations of unspent funds

### Table 37 MBRR SA18 Transfers and grant receipts

#### WC013 Bergrivier - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		52,164	62,769	58,055	63,914	63,914	63,914	72,148	75,412	82,257
Local Government Equitable Share		45,025	55,355	50,990	57,506	57,506	57,506	63,544	69,714	76,841
Municipal Infrastructure Grant		2,478	2,478	2,879	2,786	2,786	2,786	2,877	2,974	3,076
Expanded Public Works Programme		1,422	2,135	2,075	1,662	1,662	1,662	2,873	-	-
Financial Management Grant		1,349	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,688
Integrated National Electrification Programme (Municipal)		1,817	391	130	-	-	-	-	1,174	652
Water Services Infrastructure Grant		-	860	431	411	411	411	1,304	-	-
Municipal Disaster Relief Grant (COGTA)		72	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		11,334	12,141	10,546	9,823	10,496	10,496	45,365	14,037	80,420
Libraries		6,084	6,074	8,134	8,033	8,031	8,031	8,212	7,271	7,137
Department of Human Settlements		3,960	5,792	80	1,650	0	0	35,223	6,476	72,988
Maintenance of Roads		-	-	110	140	140	140	990	140	150
Financial Management Support Grant		330	-	600	-	-	-	-	-	-
Municipal Capacity Building Grant		360	275	422	-	2,325	2,325	940	-	-
Public Employment Support Grant		-	-	1,200	-	-	-	-	-	-
Local Government Support Grant - COVID-19		600	-	-	-	-	-	-	-	-
Thusong Service Centres Grant		-	-	-	-	-	-	-	150	145
<b>District Municipality:</b>		-	-	-	-	237	237	-	-	-
Joint District and Metro Approach Grant		-	-	-	-	237	237	-	-	-
<b>Other grant providers:</b>		512	75	409	172	172	172	140	-	-
Heist op den Berg		512	75	409	172	172	172	140	-	-
<b>Total Operating Transfers and Grants</b>	5	64,009	74,985	69,011	73,909	74,820	74,820	117,653	89,449	162,677
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		16,453	20,168	19,290	15,971	15,971	15,971	22,362	21,955	18,959
Municipal Infrastructure Grant		12,070	11,823	12,255	13,231	13,231	13,231	13,666	14,129	14,611
Financial Management Grant		201	-	-	-	-	-	-	-	-
Integrated National Electrification Programme (Municipal)		4,183	2,609	870	-	-	-	-	7,826	4,348
Water Services Infrastructure Grant		-	5,736	6,165	2,739	2,739	2,739	8,696	-	-
<b>Provincial Government:</b>		7,353	2,400	600	7,640	4,268	4,268	2,046	1,000	1,500
Regional Socio - Economic Project		4,500	1,000	-	120	120	120	1,100	-	-
Libraries		1,773	1,400	300	20	22	22	20	1,000	1,500
Fire Service Capacity Building Grant		830	-	-	-	-	-	926	-	-
Development of Sport and Recreation Facilities Support Grant		250	-	300	-	-	-	-	-	-
Department of Human Settlements		-	-	-	7,500	526	526	-	-	-
Loadshedding Emergency Relief Grant		-	-	-	-	3,600	3,600	-	-	-
<b>District Municipality:</b>		-	-	-	-	1,583	1,583	-	-	-
Joint District and Metro Approach Grant		-	-	-	-	1,583	1,583	-	-	-
<b>Other grant providers:</b>		41	660	354	528	528	528	240	-	-
Heist op den Berg		41	660	354	528	528	528	240	-	-
<b>Total Capital Transfers and Grants</b>	5	23,847	23,227	20,243	24,139	22,349	22,349	24,648	22,955	20,459
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		87,857	98,213	89,254	98,048	97,169	97,169	142,301	112,404	183,136

**Table 38 MBRR SA19 - Expenditure on transfers and grant programs**

**WC013 Bergvriër - Supporting Table SA19 Expenditure on transfers and grant programme**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		51,840	62,106	58,310	63,914	64,011	64,011	72,148	75,412	82,257
Local Government Equitable Share		45,025	55,355	50,990	57,506	57,506	57,506	63,544	69,714	76,841
Municipal Infrastructure Grant		2,478	2,143	2,879	2,786	2,882	2,882	2,877	2,974	3,076
Expanded Public Works Programme		1,422	2,135	2,075	1,662	1,662	1,662	2,873	-	-
Financial Management Grant		1,349	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,688
Integrated National Electrification Programme (Municipal)		1,493	714	130	-	-	-	-	1,174	652
Water Services Infrastructure Grant		-	208	686	411	411	411	1,304	-	-
Municipal Disaster Relief Grant (COGTA)		72	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		11,724	12,349	9,972	9,823	11,464	11,464	20,142	14,037	80,420
Libraries		6,116	6,546	7,800	8,033	8,366	8,366	8,212	7,271	7,137
Department of Human Settlements		4,226	5,597	380	1,650	-	-	10,000	6,476	72,988
Maintenance of Roads		97	-	110	140	140	140	990	140	150
Financial Management Support Grant		330	-	600	-	-	-	-	-	-
Municipal Capacity Building Grant		355	206	327	-	2,514	2,514	940	-	-
Public Employment Support Grant		-	-	755	-	445	445	-	-	-
Local Government Support Grant - COVID-19		600	-	-	-	-	-	-	-	-
Thusong Service Centres Grant		-	-	-	-	-	-	-	150	145
<b>District Municipality:</b>		-	-	-	-	237	237	-	-	-
<i>Joint District and Metro Approach Grant</i>		-	-	-	-	237	237	-	-	-
<b>Other grant providers:</b>		290	236	443	172	172	172	140	-	-
<i>Heist op den Berg</i>		290	236	443	172	172	172	140	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		63,854	74,691	68,725	73,909	75,884	75,884	92,430	89,449	162,677
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		14,291	15,736	19,324	15,971	16,611	16,611	22,362	21,955	18,959
Municipal Infrastructure Grant		12,070	9,465	13,884	13,231	13,872	13,872	13,666	14,129	14,611
Financial Management Grant		201	-	-	-	-	-	-	-	-
Integrated National Electrification Programme (Municipal)		2,020	4,763	870	-	-	-	-	7,826	4,348
Water Services Infrastructure Grant		-	1,508	4,571	2,739	2,739	2,739	8,696	-	-
<b>Provincial Government:</b>		5,862	3,397	480	7,640	4,541	4,541	27,269	1,000	1,500
Regional Socio - Economic Project		4,041	1,418	-	120	120	120	1,100	-	-
Libraries		797	1,978	480	20	295	295	20	1,000	1,500
Fire Service Capacity Building Grant		820	-	-	-	-	-	926	-	-
Development of Sport and Recreation Facilities Support Grant		204	-	-	-	-	-	-	-	-
Department of Human Settlements		-	-	-	7,500	526	526	25,223	-	-
Loadshedding Emergency Relief Grant		-	-	-	-	3,600	3,600	-	-	-
<b>District Municipality:</b>		-	-	-	-	1,583	1,583	-	-	-
<i>Joint District and Metro Approach Grant</i>		-	-	-	-	1,583	1,583	-	-	-
<b>Other grant providers:</b>		41	660	234	528	648	648	240	-	-
<i>Heist op den Berg</i>		41	660	234	528	648	648	240	-	-
<b>Total capital expenditure of Transfers and Grants</b>		20,193	19,793	20,038	24,139	23,384	23,384	49,871	22,955	20,459
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		84,046	94,484	88,763	98,048	99,268	99,268	142,301	112,404	183,136

**Table 39 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

WC013 Bergrivier - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	324	988	-	96	96	-	-	-
Repaid to Treasury		-	-	(637)	-	-	-	-	-	-
Current year receipts		52,164	62,769	58,055	63,914	63,914	63,914	72,148	75,412	82,257
<b>Conditions met - transferred to revenue</b>		<b>51,840</b>	<b>62,106</b>	<b>58,310</b>	<b>63,914</b>	<b>64,011</b>	<b>64,011</b>	<b>72,148</b>	<b>75,412</b>	<b>82,257</b>
Conditions still to be met - transferred to liabilities		324	988	96	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		1,121	657	394	-	968	968	-	-	-
Repaid to Treasury		(74)	(56)	-	-	-	-	-	-	-
Current year receipts		11,334	12,141	10,546	9,823	10,496	10,496	20,142	14,037	80,420
<b>Conditions met - transferred to revenue</b>		<b>11,724</b>	<b>12,349</b>	<b>9,972</b>	<b>9,823</b>	<b>11,464</b>	<b>11,464</b>	<b>20,142</b>	<b>14,037</b>	<b>80,420</b>
Conditions still to be met - transferred to liabilities		657	394	968	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	237	237	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237</b>	<b>237</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		(27)	195	33	-	-	-	-	-	-
Current year receipts		512	75	409	172	172	172	140	-	-
<b>Conditions met - transferred to revenue</b>		<b>290</b>	<b>236</b>	<b>443</b>	<b>172</b>	<b>172</b>	<b>172</b>	<b>140</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		195	33	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		<b>63,854</b>	<b>74,691</b>	<b>68,725</b>	<b>73,909</b>	<b>75,884</b>	<b>75,884</b>	<b>92,430</b>	<b>89,449</b>	<b>162,677</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>1,176</b>	<b>1,415</b>	<b>1,064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	2,162	6,594	-	2,307	2,307	-	-	-
Repaid to Treasury		-	-	(4,252)	-	(1,666)	(1,666)	-	-	-
Current year receipts		16,453	20,168	19,290	15,971	15,971	15,971	22,362	21,955	18,959
<b>Conditions met - transferred to revenue</b>		<b>14,291</b>	<b>15,736</b>	<b>19,324</b>	<b>15,971</b>	<b>16,611</b>	<b>16,611</b>	<b>22,362</b>	<b>21,955</b>	<b>18,959</b>
Conditions still to be met - transferred to liabilities		2,162	6,594	2,307	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	1,492	495	-	573	573	-	-	-
Repaid to Treasury		-	-	(41)	-	(300)	(300)	-	-	-
Current year receipts		7,353	2,400	600	7,640	4,268	4,268	27,269	1,000	1,500
<b>Conditions met - transferred to revenue</b>		<b>5,862</b>	<b>3,397</b>	<b>480</b>	<b>7,640</b>	<b>4,541</b>	<b>4,541</b>	<b>27,269</b>	<b>1,000</b>	<b>1,500</b>
Conditions still to be met - transferred to liabilities		1,492	495	573	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	1,583	1,583	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,583</b>	<b>1,583</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	120	120	-	-	-
Current year receipts		41	660	354	528	528	528	240	-	-
<b>Conditions met - transferred to revenue</b>		<b>41</b>	<b>660</b>	<b>234</b>	<b>528</b>	<b>648</b>	<b>648</b>	<b>240</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	120	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>20,193</b>	<b>19,793</b>	<b>20,038</b>	<b>24,139</b>	<b>23,384</b>	<b>23,384</b>	<b>49,871</b>	<b>22,955</b>	<b>20,459</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>3,654</b>	<b>7,089</b>	<b>3,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>84,046</b>	<b>94,484</b>	<b>88,763</b>	<b>98,048</b>	<b>99,268</b>	<b>99,268</b>	<b>142,301</b>	<b>112,404</b>	<b>183,136</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>4,831</b>	<b>8,503</b>	<b>4,065</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2.8 Councillor and employee benefits

### Table 40 MBRR SA22 - Summary of councillor and staff benefits

#### WC013 Bergrivier - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		5,158	5,129	5,536	5,895	5,819	5,819	6,078	6,399	6,699
Pension and UIF Contributions		319	253	175	133	124	124	126	207	217
Medical Aid Contributions		-	-	13	-	23	23	-	-	-
Motor Vehicle Allowance		662	745	547	407	487	487	506	469	491
Cellphone Allowance		530	528	529	558	532	532	562	652	682
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>6,669</b>	<b>6,655</b>	<b>6,801</b>	<b>6,993</b>	<b>6,985</b>	<b>6,985</b>	<b>7,273</b>	<b>7,727</b>	<b>8,089</b>
% increase	4		(0.2%)	2.2%	2.8%	(0.1%)	-	4.1%	6.2%	4.7%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4,316	5,504	5,375	6,122	4,950	4,950	4,861	5,152	5,462
Pension and UIF Contributions		591	630	756	716	761	761	876	929	984
Medical Aid Contributions		85	106	112	149	171	171	155	164	173
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	835	1,100	939	1,159	769	769	787	834	884
Cellphone Allowance	3	7	5	5	-	22	22	23	24	26
Housing Allowances	3	176	202	174	158	150	150	158	168	178
Other benefits and allowances	3	36	32	37	39	57	57	59	63	67
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		102	125	111	132	163	163	136	144	153
Acting and post related allowance		-	6	28	108	108	108	27	29	30
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6,148</b>	<b>7,710</b>	<b>7,535</b>	<b>8,583</b>	<b>7,151</b>	<b>7,151</b>	<b>7,081</b>	<b>7,506</b>	<b>7,957</b>
% increase	4		25.4%	(2.3%)	13.9%	(16.7%)	-	(1.0%)	6.0%	6.0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		85,050	87,707	96,186	109,536	105,565	105,565	121,274	124,702	132,207
Pension and UIF Contributions		13,271	13,983	15,024	17,553	16,665	16,665	19,138	20,286	21,504
Medical Aid Contributions		5,517	5,963	6,219	7,652	7,220	7,220	7,773	8,239	8,733
Overtime		5,251	5,299	6,413	4,783	6,651	6,651	6,629	7,026	7,448
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	4,047	4,218	4,792	5,793	3,388	3,388	6,087	6,452	6,839
Cellphone Allowance	3	41	42	52	24	33	33	42	45	47
Housing Allowances	3	560	677	530	731	642	642	901	955	1,012
Other benefits and allowances	3	4,810	4,864	5,665	6,559	7,311	7,311	7,552	8,006	8,487
Payments in lieu of leave		2,299	1,221	238	1,968	1,968	1,968	2,086	2,211	2,344
Long service awards		560	525	581	636	605	605	673	720	763
Post-retirement benefit obligations	6	1,559	1,341	1,690	1,860	1,652	1,652	1,847	1,976	2,095
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		259	282	294	299	319	319	319	338	358
Acting and post related allowance		551	664	816	912	1,173	1,173	994	1,054	1,117
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>123,775</b>	<b>126,785</b>	<b>138,500</b>	<b>158,307</b>	<b>153,192</b>	<b>153,192</b>	<b>175,315</b>	<b>182,010</b>	<b>192,954</b>
% increase	4		2.4%	9.2%	14.3%	(3.2%)	-	14.4%	3.8%	6.0%
<b>Total Parent Municipality</b>		<b>136,592</b>	<b>141,150</b>	<b>152,836</b>	<b>173,883</b>	<b>167,328</b>	<b>167,328</b>	<b>189,669</b>	<b>197,243</b>	<b>209,000</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>136,592</b>	<b>141,150</b>	<b>152,836</b>	<b>173,883</b>	<b>167,328</b>	<b>167,328</b>	<b>189,669</b>	<b>197,243</b>	<b>209,000</b>
% increase	4		3.3%	8.3%	13.8%	(3.8%)	-	13.4%	4.0%	6.0%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>129,923</b>	<b>134,495</b>	<b>146,035</b>	<b>166,890</b>	<b>160,343</b>	<b>160,343</b>	<b>182,396</b>	<b>189,516</b>	<b>200,911</b>

**Table 41 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

**WC013 Bergrivier - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		751,910	-	43,248			795,158
Chief Whip			-	-	-			-
Executive Mayor			540,771	81,116	361,248			983,134
Deputy Executive Mayor			563,933	-	231,225			795,158
Executive Committee			1,395,660	-	86,496			1,482,156
Total for all other councillors			2,825,892	45,372	345,984			3,217,248
<b>Total Councillors</b>	8	-	<b>6,078,165</b>	<b>126,488</b>	<b>1,068,201</b>			<b>7,272,854</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1,027,842	392,220	69,211	-		1,489,273
Chief Finance Officer			875,468	223,153	181,336	-		1,279,957
Technical Director			1,078,562	2,240	57,391	-		1,138,194
Corporate Services Director			939,716	209,434	560,984	-		1,710,134
Community Services Director			939,147	203,387	321,188	-		1,463,723
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>4,860,736</b>	<b>1,030,435</b>	<b>1,190,110</b>	-		<b>7,081,281</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>10,938,901</b>	<b>1,156,923</b>	<b>2,258,311</b>	-		<b>14,354,135</b>



**Table 42 MBRR SA24 – Summary of personnel numbers**

**WC013 Bergvriev - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers Number	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)	4	13	13	-	13	13	-	13	13	-
Board Members of municipal entities		-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	5	4	1	5	4	1	5	4	1
Other Managers	7	10	10	-	11	11	-	11	11	-
Professionals		35	34	-	35	33	-	35	35	-
<i>Finance</i>		2	2	-	1	1	-	1	1	-
<i>Spatial/town planning</i>		3	3	-	3	3	-	3	3	-
<i>Information Technology</i>		1	1	-	1	1	-	1	1	-
<i>Roads</i>		3	3	-	3	3	-	3	3	-
<i>Electricity</i>		3	3	-	3	3	-	3	3	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		23	22	-	24	22	-	24	24	-
Technicians		33	31	1	36	33	1	43	42	1
<i>Finance</i>		5	5	-	6	6	-	6	6	-
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		2	2	-	2	2	-	3	3	-
<i>Roads</i>		6	6	-	7	6	-	8	8	-
<i>Electricity</i>		5	5	-	5	4	-	5	5	-
<i>Water</i>		6	6	-	6	6	-	7	7	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		4	4	-	4	4	-	4	4	-
<i>Other</i>		5	3	1	6	5	1	10	9	1
Clerks (Clerical and administrative)		89	78	4	103	88	3	107	104	3
Service and sales workers		13	12	-	13	13	-	16	16	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		32	29	-	32	27	-	35	35	-
Elementary Occupations		188	175	-	190	167	-	196	196	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>418</b>	<b>386</b>	<b>6</b>	<b>438</b>	<b>389</b>	<b>5</b>	<b>461</b>	<b>456</b>	<b>5</b>
<b>% increase</b>					4.8%	0.8%	(16.7%)	5.3%	17.2%	-
<b>Total municipal employees headcount</b>	6, 10	<b>405</b>	<b>373</b>	<b>6</b>	<b>425</b>	<b>376</b>	<b>5</b>	<b>446</b>	<b>441</b>	<b>5</b>
Finance personnel headcount	8, 10	<b>45</b>	<b>42</b>	<b>-</b>	<b>47</b>	<b>43</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>-</b>
Human Resources personnel headcount	8, 10	<b>6</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>

## 2.9 Monthly targets for revenue, expenditure and cash flow

### Table 43 MBRR SA25 - Budgeted monthly revenue and expenditure

WC013 Bergrivier - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>																	
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		16,775	17,184	14,628	14,059	10,936	15,205	10,870	13,585	12,350	13,664	11,782	17,169	168,206	185,766	202,457	
Service charges - Water		3,142	3,653	3,226	3,562	3,338	3,267	3,675	3,454	3,532	3,837	3,507	2,640	40,832	44,000	47,195	
Service charges - Waste Water Management		1,676	1,694	1,700	1,640	1,583	1,598	1,430	1,623	1,455	1,643	1,712	1,453	19,207	20,893	22,811	
Service charges - Waste Management		3,279	3,314	3,265	3,356	3,274	3,310	3,255	3,329	3,297	3,320	3,334	3,272	39,604	46,162	50,496	
Sale of Goods and Rendering of Services		216	433	707	1,011	922	969	609	778	765	1,002	589	949	8,951	9,441	9,665	
Agency services		376	406	412	452	379	717	642	355	368	230	287	301	4,925	5,172	5,431	
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned from Current and Non Current Assets		692	807	855	809	817	978	947	923	1,019	1,149	1,269	1,268	11,533	12,585	13,340	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets		139	139	139	139	139	139	139	139	139	139	139	139	1,669	1,768	1,872	
Licences and permits		1	0	3	5	14	3	19	10	7	9	8	2	82	87	92	
Operational Revenue		47	95	155	221	202	212	133	170	167	219	129	207	1,957	2,039	2,170	
<b>Non-Exchange Revenue</b>																	
Property rates		20,042	7,530	7,632	7,538	7,566	7,653	7,718	7,719	7,706	7,717	7,687	7,927	104,434	111,744	118,428	
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		930	922	1,777	2,031	2,199	2,174	2,250	1,866	1,823	2,963	2,929	2,480	24,344	25,522	26,796	
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer and subsidies - Operational		28,032	1,549	1,807	778	778	26,886	778	778	15,919	10,051	778	4,297	92,430	89,449	162,677	
Interest earned from Receivables		372	434	460	435	439	526	509	496	548	618	682	682	6,200	6,268	6,644	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	500	500	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	2,800	2,800	3,064	
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contrib</b>		<b>75,718</b>	<b>38,160</b>	<b>36,763</b>	<b>36,036</b>	<b>32,586</b>	<b>63,637</b>	<b>32,974</b>	<b>35,227</b>	<b>49,094</b>	<b>46,562</b>	<b>34,832</b>	<b>46,085</b>	<b>527,674</b>	<b>563,822</b>	<b>673,138</b>	
<b>Expenditure</b>																	
Employee related costs		13,658	13,955	15,004	14,539	22,780	14,581	14,992	14,226	14,247	15,032	14,953	14,430	182,396	189,516	200,911	
Remuneration of councillors		605	608	608	608	608	608	608	587	608	608	608	608	7,273	7,727	8,089	
Bulk purchases - electricity		12,922	11,629	10,337	10,337	9,964	10,388	9,024	10,509	11,316	9,967	11,245	11,577	129,216	145,626	161,354	
Inventory consumed		959	1,037	1,555	2,627	1,327	1,889	1,778	1,913	2,441	951	3,369	3,388	23,235	24,432	25,565	
Debt impairment		2,851	2,851	2,851	2,851	2,851	2,851	2,851	2,851	2,851	2,851	2,851	3,208	34,208	36,562	38,941	
Depreciation and amortisation		2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	32,656	34,096	34,480	
Interest		2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	26,527	26,372	27,875	
Contracted services		1,788	4,345	3,640	3,443	3,856	3,881	3,067	4,444	4,124	5,119	4,954	3,865	46,526	44,749	113,047	
Transfers and subsidies		125	2,869	334	-	1,003	252	118	238	1,703	1,034	1,890	85	9,701	8,683	9,093	
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational costs		5,015	2,159	3,040	2,988	3,127	4,595	4,282	2,457	3,260	8,888	3,757	2,264	45,832	49,989	52,443	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	2,805	2,805	2,931	3,069	
<b>Total Expenditure</b>		<b>42,853</b>	<b>44,385</b>	<b>42,301</b>	<b>42,375</b>	<b>50,449</b>	<b>43,977</b>	<b>41,651</b>	<b>42,157</b>	<b>45,482</b>	<b>49,381</b>	<b>48,559</b>	<b>46,805</b>	<b>540,375</b>	<b>570,683</b>	<b>674,867</b>	
<b>Surplus/(Deficit)</b>		<b>32,865</b>	<b>(6,225)</b>	<b>(5,538)</b>	<b>(6,339)</b>	<b>(17,863)</b>	<b>19,659</b>	<b>(8,677)</b>	<b>(6,930)</b>	<b>3,612</b>	<b>(2,819)</b>	<b>(13,727)</b>	<b>(720)</b>	<b>(12,701)</b>	<b>(6,860)</b>	<b>(1,729)</b>	
Transfers and subsidies - capital (monetary allocations)		915	915	5,608	915	915	915	915	915	915	13,032	915	22,993	49,871	22,955	20,459	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>33,781</b>	<b>(5,309)</b>	<b>70</b>	<b>(5,424)</b>	<b>(16,948)</b>	<b>20,575</b>	<b>(7,762)</b>	<b>(6,015)</b>	<b>4,527</b>	<b>10,213</b>	<b>(12,812)</b>	<b>22,273</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after income tax</b>		<b>33,781</b>	<b>(5,309)</b>	<b>70</b>	<b>(5,424)</b>	<b>(16,948)</b>	<b>20,575</b>	<b>(7,762)</b>	<b>(6,015)</b>	<b>4,527</b>	<b>10,213</b>	<b>(12,812)</b>	<b>22,273</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>33,781</b>	<b>(5,309)</b>	<b>70</b>	<b>(5,424)</b>	<b>(16,948)</b>	<b>20,575</b>	<b>(7,762)</b>	<b>(6,015)</b>	<b>4,527</b>	<b>10,213</b>	<b>(12,812)</b>	<b>22,273</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	1	<b>33,781</b>	<b>(5,309)</b>	<b>70</b>	<b>(5,424)</b>	<b>(16,948)</b>	<b>20,575</b>	<b>(7,762)</b>	<b>(6,015)</b>	<b>4,527</b>	<b>10,213</b>	<b>(12,812)</b>	<b>22,273</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>	

**Table 44 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

**WC013 Bergrivier - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Municipal Manager		19,296	1,090	1,371	560	560	18,509	560	560	10,969	7,202	560	3,466	64,704	69,926	77,059
Vote 2 - Finance		21,913	8,885	9,122	8,967	9,004	10,046	9,328	9,295	9,835	9,948	9,811	10,165	126,318	133,849	141,892
Vote 3 - Corporate Services		10	19	33	48	51	45	41	42	39	51	32	2,843	3,254	3,407	3,574
Vote 4 - Technical Services		22,575	21,110	19,916	18,141	14,912	21,174	14,737	17,573	17,428	21,781	15,725	28,069	233,142	262,419	280,294
Vote 5 - Technical Services (Continued)		5,394	5,570	5,996	5,470	5,180	5,497	5,334	5,322	5,445	7,990	5,446	8,253	70,897	65,803	70,971
Vote 6 - Community Services		7,314	2,139	5,507	3,155	3,237	8,697	3,522	2,879	5,831	12,015	3,817	15,708	73,819	45,637	114,070
Vote 7 - Community Services (Continued)		132	262	427	611	557	585	369	470	463	605	357	573	5,411	5,736	5,737
<b>Total Revenue by Vote</b>		<b>76,633</b>	<b>39,075</b>	<b>42,371</b>	<b>36,951</b>	<b>33,501</b>	<b>64,552</b>	<b>33,890</b>	<b>36,142</b>	<b>50,009</b>	<b>59,594</b>	<b>35,747</b>	<b>69,078</b>	<b>577,545</b>	<b>586,777</b>	<b>693,597</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Municipal Manager		2,320	4,746	2,416	2,189	3,463	2,590	2,389	2,233	3,878	4,017	4,289	2,190	36,719	37,135	38,967
Vote 2 - Finance		3,337	3,232	3,437	3,352	4,542	3,666	3,569	3,340	3,439	4,573	3,730	3,279	43,497	43,956	46,421
Vote 3 - Corporate Services		3,061	2,915	3,119	3,064	4,109	3,277	3,236	3,009	3,100	3,913	3,319	5,804	41,927	44,120	46,454
Vote 4 - Technical Services		23,699	22,569	21,831	21,933	24,231	22,335	20,740	21,937	23,036	23,321	23,907	23,314	272,852	297,195	320,697
Vote 5 - Technical Services (Continued)		3,467	3,253	3,660	4,114	4,116	4,049	3,920	3,740	4,095	4,393	4,718	4,387	47,911	49,977	52,495
Vote 6 - Community Services		6,000	6,692	6,795	6,674	8,624	6,944	6,720	6,862	6,858	7,820	7,401	6,769	84,159	84,062	154,812
Vote 7 - Community Services (Continued)		969	976	1,043	1,051	1,364	1,116	1,078	1,036	1,075	1,343	1,196	1,061	13,310	14,239	15,021
<b>Total Expenditure by Vote</b>		<b>42,853</b>	<b>44,385</b>	<b>42,301</b>	<b>42,375</b>	<b>50,449</b>	<b>43,977</b>	<b>41,651</b>	<b>42,157</b>	<b>45,482</b>	<b>49,381</b>	<b>48,559</b>	<b>46,805</b>	<b>540,375</b>	<b>570,683</b>	<b>674,867</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>33,781</b>	<b>(5,309)</b>	<b>70</b>	<b>(5,424)</b>	<b>(16,948)</b>	<b>20,575</b>	<b>(7,762)</b>	<b>(6,015)</b>	<b>4,527</b>	<b>10,213</b>	<b>(12,812)</b>	<b>22,273</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>33,781</b>	<b>(5,309)</b>	<b>70</b>	<b>(5,424)</b>	<b>(16,948)</b>	<b>20,575</b>	<b>(7,762)</b>	<b>(6,015)</b>	<b>4,527</b>	<b>10,213</b>	<b>(12,812)</b>	<b>22,273</b>	<b>37,169</b>	<b>16,094</b>	<b>18,730</b>

**Table 45 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

WC013 Bergrivier - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>Revenue - Functional</b>																	
<i>Governance and administration</i>		41,308	10,080	10,500	9,646	9,680	28,672	9,996	9,968	20,916	17,002	10,479	16,561	194,809	208,233	223,654	
Executive and council		19,276	1,070	1,247	540	540	18,489	540	540	10,949	6,915	540	2,959	63,604	69,776	76,914	
Finance and administration		22,032	9,010	9,253	9,106	9,140	10,183	9,456	9,428	9,967	10,087	9,940	13,602	131,205	138,457	146,740	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		7,070	1,995	5,522	3,314	3,415	8,565	3,249	2,994	5,926	12,391	3,886	15,980	74,305	46,201	114,376	
Community and social services		2,526	189	233	162	156	2,478	133	145	1,489	990	132	479	9,113	9,178	9,597	
Sport and recreation		134	267	436	623	568	597	376	480	472	617	364	585	5,518	5,845	5,853	
Public safety		914	908	1,821	1,982	2,144	2,118	2,192	1,822	1,779	3,104	2,843	2,822	24,450	24,701	25,937	
Housing		3,496	631	3,032	547	547	3,372	547	547	2,185	7,679	547	12,094	35,224	6,477	72,989	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		2,744	894	2,376	1,026	939	3,184	1,130	878	1,989	5,070	763	7,651	28,644	24,895	25,883	
Planning and development		1,195	420	1,883	534	520	1,335	451	484	950	4,411	438	7,163	19,783	19,507	20,221	
Road transport		1,549	475	493	493	419	1,849	679	394	1,039	658	325	488	8,861	5,388	5,662	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		25,513	26,107	23,974	22,966	19,466	24,131	19,514	22,302	21,179	25,132	20,619	28,885	279,787	307,448	329,684	
Energy sources		16,790	17,211	14,675	14,123	10,996	15,288	10,913	13,636	12,399	13,732	11,826	17,232	168,802	195,373	208,100	
Water management		3,718	3,875	4,295	3,826	3,594	3,896	3,902	3,697	3,988	6,344	3,733	6,798	51,665	44,883	48,131	
Waste water management		1,677	1,695	1,702	1,643	1,586	1,601	1,431	1,625	1,457	1,646	1,713	1,659	19,232	20,920	22,840	
Waste management		3,328	3,325	3,303	3,373	3,290	3,367	3,267	3,344	3,334	3,410	3,347	3,400	40,088	46,272	50,613	
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue - Functional</b>		76,633	39,075	42,371	36,951	33,501	64,552	33,890	36,142	50,009	59,594	35,747	69,078	577,545	586,777	693,597	
<b>Expenditure - Functional</b>																	
<i>Governance and administration</i>		9,042	11,165	9,288	8,975	12,441	9,855	9,532	8,894	10,760	12,742	11,708	10,713	125,115	130,211	136,714	
Executive and council		1,858	4,285	1,919	1,692	2,771	2,070	1,876	1,748	3,377	3,409	3,738	734	29,478	29,202	30,612	
Finance and administration		7,072	6,757	7,242	7,159	9,486	7,657	7,529	7,020	7,258	9,189	7,835	9,856	94,060	99,298	104,292	
Internal audit		112	122	128	123	183	128	127	125	125	144	135	124	1,577	1,711	1,809	
<i>Community and public safety</i>		6,634	7,294	7,445	7,336	9,427	7,667	7,410	7,508	7,543	8,743	8,169	7,432	92,609	93,193	164,433	
Community and social services		1,136	1,127	1,213	1,195	1,719	1,231	1,237	1,166	1,190	1,368	1,274	1,188	15,044	15,970	16,840	
Sport and recreation		1,781	1,812	1,930	1,928	2,583	2,030	1,979	1,905	1,962	2,387	2,160	1,942	24,400	26,185	27,621	
Public safety		3,153	3,212	3,304	3,259	4,000	3,352	3,324	3,263	3,285	3,645	3,428	3,251	40,474	42,291	44,571	
Housing		564	1,142	998	954	1,125	1,054	871	1,173	1,105	1,344	1,308	1,052	12,690	8,746	75,402	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		4,488	4,523	4,833	4,808	6,614	4,944	4,920	4,709	4,814	5,492	5,192	5,785	61,122	60,847	64,277	
Planning and development		1,539	1,633	1,721	1,682	2,448	1,742	1,725	1,684	1,697	1,952	1,834	2,646	22,303	20,601	21,698	
Road transport		2,949	2,890	3,112	3,127	4,166	3,202	3,195	3,025	3,117	3,539	3,358	3,140	38,819	40,246	42,579	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		22,689	21,403	20,735	21,256	21,967	21,511	19,789	21,046	22,365	22,404	23,490	22,874	261,530	286,432	309,444	
Energy sources		15,239	13,750	12,644	12,696	12,763	12,898	11,473	12,767	13,705	12,998	13,862	13,930	158,727	175,832	193,298	
Water management		2,030	1,932	2,254	2,714	2,455	2,519	2,434	2,366	2,660	2,482	3,172	3,017	30,035	31,055	32,767	
Waste water management		1,405	1,290	1,372	1,367	1,609	1,497	1,451	1,341	1,402	1,878	1,511	1,337	17,461	18,482	19,261	
Waste management		4,014	4,431	4,465	4,479	5,140	4,597	4,431	4,571	4,598	5,047	4,944	4,589	55,307	61,064	64,117	
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure - Functional</b>		42,853	44,385	42,301	42,375	50,449	43,977	41,651	42,157	45,482	49,381	48,559	46,805	540,375	570,683	674,867	
<b>Surplus/(Deficit) before assoc.</b>		33,781	(5,309)	70	(5,424)	(16,948)	20,575	(7,762)	(6,015)	4,527	10,213	(12,812)	22,273	37,169	16,094	18,730	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	1	33,781	(5,309)	70	(5,424)	(16,948)	20,575	(7,762)	(6,015)	4,527	10,213	(12,812)	22,273	37,169	16,094	18,730	

**Table 46 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

WC013 Bergvriervier - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	750	-	-	-	-	750	3,000	3,700
Vote 4 - Technical Services		750	800	690	710	1,250	350	640	1,340	1,460	1,150	25,873	600	35,613	21,596	18,248
Vote 5 - Technical Services (Continued)		1,300	1,340	1,305	825	423	215	203	1,067	1,527	1,899	2,243	2,584	14,931	11,358	19,420
Vote 6 - Community Services		-	-	300	-	-	-	-	-	-	-	-	-	300	-	400
Vote 7 - Community Services (Continued)		-	-	-	-	-	15	-	300	300	-	-	-	615	2,629	2,281
<b>Capital multi-year expenditure sub-total</b>	2	<b>2,050</b>	<b>2,140</b>	<b>2,295</b>	<b>1,535</b>	<b>1,673</b>	<b>580</b>	<b>843</b>	<b>3,457</b>	<b>3,287</b>	<b>3,049</b>	<b>28,116</b>	<b>3,184</b>	<b>52,209</b>	<b>38,582</b>	<b>44,049</b>
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Municipal Manager		50	50	50	40	-	-	-	50	150	750	320	-	1,460	30	30
Vote 2 - Finance		-	-	-	10	-	100	50	100	140	100	-	-	500	20	-
Vote 3 - Corporate Services		-	-	-	5	600	155	940	315	-	10	-	-	2,025	1,355	-
Vote 4 - Technical Services		-	90	418	563	2,275	190	407	289	2,580	1,157	587	116	8,671	17,273	11,729
Vote 5 - Technical Services (Continued)		670	1,100	1,640	1,975	1,605	1,295	590	2,550	3,115	3,875	3,950	2,896	25,261	11,582	10,151
Vote 6 - Community Services		-	55	1,355	355	-	370	150	275	2,279	2,100	1,666	-	8,605	3,375	3,300
Vote 7 - Community Services (Continued)		-	-	-	-	650	690	-	-	550	1,320	500	-	3,710	1,095	1,410
<b>Capital single-year expenditure sub-total</b>	2	<b>720</b>	<b>1,295</b>	<b>3,463</b>	<b>2,948</b>	<b>5,130</b>	<b>2,800</b>	<b>2,137</b>	<b>3,579</b>	<b>8,814</b>	<b>9,312</b>	<b>7,023</b>	<b>3,012</b>	<b>50,231</b>	<b>34,730</b>	<b>26,620</b>
<b>Total Capital Expenditure</b>	2	<b>2,770</b>	<b>3,435</b>	<b>5,758</b>	<b>4,483</b>	<b>6,803</b>	<b>3,380</b>	<b>2,980</b>	<b>7,036</b>	<b>12,101</b>	<b>12,361</b>	<b>35,139</b>	<b>6,196</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>

**Table 47 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

WC013 Bergrivier - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>																	
<b>Capital Expenditure - Functional</b>	1																
<i>Governance and administration</i>		-	-	50	267	853	315	1,490	2,225	1,520	1,160	570	-	8,450	7,731	5,308	
Executive and council		-	-	-	-	-	-	-	-	-	-	20	-	20	30	30	
Finance and administration		-	-	50	267	853	315	1,490	2,225	1,520	1,160	550	-	8,430	7,701	5,278	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		-	55	1,655	355	650	1,075	150	575	3,129	3,420	1,666	-	12,730	7,099	7,391	
Community and social services		-	-	1,420	30	-	10	-	230	410	310	10	-	2,420	1,175	2,300	
Sport and recreation		-	-	-	275	650	1,035	150	345	1,199	1,560	500	-	5,714	5,094	3,691	
Public safety		-	55	225	50	-	30	-	-	20	-	1,156	-	1,536	830	1,400	
Housing		-	-	10	-	-	-	-	-	1,500	1,550	-	-	3,060	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		800	800	240	450	615	120	730	1,080	1,956	2,704	26,123	600	36,218	14,685	16,090	
Planning and development		800	800	50	40	140	-	300	500	756	1,354	26,123	600	31,463	2,140	2,120	
Road transport		-	-	190	410	475	120	430	580	1,200	1,350	-	-	4,755	12,545	13,970	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		1,970	2,580	3,813	3,411	4,685	1,870	610	3,156	5,496	5,077	6,780	5,596	45,043	43,798	41,880	
Energy sources		-	50	868	611	2,197	-	202	339	1,464	303	587	116	6,736	20,398	9,098	
Water management		1,445	1,915	2,875	2,620	1,603	1,085	53	1,417	1,982	2,919	3,083	1,760	22,757	12,057	18,754	
Waste water management		525	525	70	180	425	425	240	1,200	1,660	1,855	3,110	3,720	13,935	9,633	9,967	
Waste management		-	90	-	-	460	360	115	200	390	-	-	-	1,615	1,710	4,061	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional</b>	2	<b>2,770</b>	<b>3,435</b>	<b>5,758</b>	<b>4,483</b>	<b>6,803</b>	<b>3,380</b>	<b>2,980</b>	<b>7,036</b>	<b>12,101</b>	<b>12,361</b>	<b>35,139</b>	<b>6,196</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>	
<b>Funded by:</b>																	
National Government		1,300	1,340	1,355	825	669	85	265	1,266	2,050	3,702	4,390	5,116	22,362	21,955	18,959	
Provincial Government		-	-	10	-	-	10	-	-	100	700	26,449	-	27,269	1,000	1,500	
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	180	60	-	-	-	-	-	-	240	-	-	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Transfers recognised - capital</b>		<b>1,300</b>	<b>1,340</b>	<b>1,365</b>	<b>825</b>	<b>849</b>	<b>155</b>	<b>265</b>	<b>1,266</b>	<b>2,150</b>	<b>4,402</b>	<b>30,839</b>	<b>5,116</b>	<b>49,871</b>	<b>22,955</b>	<b>20,459</b>	
<b>Borrowing</b>		<b>1,420</b>	<b>1,850</b>	<b>2,910</b>	<b>1,650</b>	<b>3,080</b>	<b>1,500</b>	<b>800</b>	<b>2,850</b>	<b>5,100</b>	<b>5,850</b>	<b>2,950</b>	<b>950</b>	<b>30,910</b>	<b>29,700</b>	<b>29,700</b>	
<b>Internally generated funds</b>		<b>50</b>	<b>245</b>	<b>1,483</b>	<b>2,008</b>	<b>2,874</b>	<b>1,725</b>	<b>1,915</b>	<b>2,920</b>	<b>4,851</b>	<b>2,109</b>	<b>1,350</b>	<b>130</b>	<b>21,660</b>	<b>20,658</b>	<b>20,510</b>	
<b>Total Capital Funding</b>		<b>2,770</b>	<b>3,435</b>	<b>5,758</b>	<b>4,483</b>	<b>6,803</b>	<b>3,380</b>	<b>2,980</b>	<b>7,036</b>	<b>12,101</b>	<b>12,361</b>	<b>35,139</b>	<b>6,196</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>	

**Table 48 MBRR SA30 - Budgeted monthly cash flow**

**WC013 Bergrivier - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	19,693	7,399	7,499	7,407	7,434	7,519	7,583	7,585	7,572	7,583	7,553	7,789	102,615	109,798	116,365
Service charges - electricity revenue	16,385	16,785	14,288	13,732	10,682	14,852	10,618	13,270	12,063	13,347	11,508	16,770	164,299	181,451	197,755
Service charges - water revenue	2,981	3,465	3,060	3,379	3,166	3,099	3,486	3,277	3,350	3,640	3,327	2,504	38,732	41,737	44,768
Service charges - sanitation revenue	1,525	1,541	1,546	1,492	1,440	1,454	1,301	1,476	1,324	1,494	1,557	1,322	17,470	19,004	20,749
Service charges - refuse revenue	2,985	3,017	2,973	3,055	2,981	3,014	2,963	3,031	3,002	3,023	3,036	2,978	36,056	42,027	45,972
Rental of facilities and equipment	139	139	139	139	139	139	139	139	139	139	139	139	1,669	1,768	1,872
Interest earned - external investments	690	805	853	806	815	975	945	920	1,016	1,146	1,265	1,264	11,500	12,550	13,303
Interest earned - outstanding debtors	372	434	460	435	439	526	509	496	548	618	682	682	6,200	6,268	6,644
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	212	210	405	463	501	496	513	426	416	676	668	566	5,552	5,790	6,038
Licences and permits	1	0	3	5	14	3	19	10	7	9	8	2	82	87	92
Agency services	376	406	412	452	379	717	642	355	368	230	287	301	4,925	5,172	5,431
Transfers and Subsidies - Operational	28,032	1,549	1,807	778	778	26,886	778	778	15,919	10,051	778	4,297	92,430	89,449	162,677
Other revenue	263	527	861	1,232	1,123	1,181	743	948	932	1,222	718	1,157	10,908	11,480	11,835
<b>Cash Receipts by Source</b>	<b>73,653</b>	<b>36,278</b>	<b>34,305</b>	<b>33,376</b>	<b>29,892</b>	<b>60,860</b>	<b>30,238</b>	<b>32,711</b>	<b>46,655</b>	<b>43,177</b>	<b>31,526</b>	<b>39,770</b>	<b>492,438</b>	<b>526,581</b>	<b>633,501</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	915	915	5,608	915	915	915	915	915	915	13,032	915	22,993	49,871	22,955	20,459
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	250	-	-	250	500	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	30,910	30,910	29,700	29,700
Increase (decrease) in consumer deposits	33	33	33	33	33	33	33	33	33	33	33	33	395	395	395
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>74,601</b>	<b>37,226</b>	<b>39,946</b>	<b>34,324</b>	<b>30,840</b>	<b>61,808</b>	<b>31,186</b>	<b>33,659</b>	<b>47,853</b>	<b>56,241</b>	<b>32,474</b>	<b>93,955</b>	<b>574,114</b>	<b>579,630</b>	<b>684,055</b>
<b>Cash Payments by Type</b>															
Employee related costs	13,559	13,854	14,896	14,435	22,616	14,476	14,884	14,123	14,145	14,923	14,845	14,326	181,084	187,934	199,067
Remuneration of councillors	605	608	608	608	608	608	608	587	608	608	608	608	7,273	7,727	8,089
Interest	938	938	938	938	938	938	938	938	938	938	938	938	11,259	11,898	12,323
Bulk purchases - electricity	12,922	11,629	10,337	10,337	9,964	10,388	9,024	10,509	11,316	9,967	11,245	11,577	129,216	145,626	161,354
Acquisitions - water & other inventory	959	1,037	1,555	2,627	1,327	1,889	1,778	1,913	2,441	951	3,369	3,388	23,235	24,432	25,565
Contracted services	1,788	4,345	3,640	3,443	3,856	3,881	3,067	4,444	4,124	5,119	4,954	3,865	46,526	44,749	113,047
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	125	2,869	334	50	1,003	252	118	238	1,703	1,034	1,890	85	9,701	8,683	9,093
Other expenditure	5,015	2,159	3,040	2,988	3,127	4,595	4,282	2,457	3,260	8,888	3,757	2,264	45,832	49,989	52,443
<b>Cash Payments by Type</b>	<b>35,910</b>	<b>37,440</b>	<b>35,349</b>	<b>35,426</b>	<b>43,440</b>	<b>37,028</b>	<b>34,699</b>	<b>35,210</b>	<b>38,535</b>	<b>42,429</b>	<b>41,607</b>	<b>37,052</b>	<b>454,126</b>	<b>481,037</b>	<b>580,981</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	2,770	3,435	5,758	4,483	6,803	3,380	2,980	7,036	12,101	12,361	35,139	6,196	102,441	73,313	70,669
Repayment of borrowing	-	-	2,872	-	-	4,308	-	-	2,872	-	-	4,308	14,360	16,340	18,320
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>38,680</b>	<b>40,875</b>	<b>43,979</b>	<b>39,909</b>	<b>50,243</b>	<b>44,716</b>	<b>37,679</b>	<b>42,245</b>	<b>53,508</b>	<b>54,789</b>	<b>76,747</b>	<b>47,555</b>	<b>570,926</b>	<b>570,689</b>	<b>669,970</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>35,921</b>	<b>(3,649)</b>	<b>(4,033)</b>	<b>(5,585)</b>	<b>(19,403)</b>	<b>17,092</b>	<b>(6,493)</b>	<b>(8,586)</b>	<b>(5,655)</b>	<b>1,452</b>	<b>(44,272)</b>	<b>46,400</b>	<b>3,188</b>	<b>8,941</b>	<b>14,085</b>
Cash/cash equivalents at the month/year begin:	134,225	170,146	166,497	162,464	156,879	137,476	154,568	148,075	139,489	133,833	135,286	91,013	134,225	137,413	146,354
Cash/cash equivalents at the month/year end:	170,146	166,497	162,464	156,879	137,476	154,568	148,075	139,489	133,833	135,286	91,013	137,413	137,413	146,354	160,439

## **2.10 Contracts having future budgetary implications**

In terms of the Council's Supply Chain Management Policy, with the exception of the Banking Services contract and External Loans, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## **2.11 Capital expenditure details**

The following three tables present details of the Council's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.



**Table 49 MBRR SA 34a - Capital expenditure on new assets by asset class**

**WC013 Bergrivier - Supporting Table SA34a Capital expenditure on new assets by asset class**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>10,514</b>	<b>7,408</b>	<b>11,349</b>	<b>31,630</b>	<b>21,725</b>	<b>21,725</b>	<b>52,216</b>	<b>15,904</b>	<b>29,600</b>
Roads Infrastructure		247	295	1,205	1,259	100	100	6,506	100	1,300
Roads		247	175	1,205	1,100	100	100	6,506	100	1,300
Road Structures		-	120	-	159	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		3,395	134	467	605	571	571	1,604	3,634	470
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		3,395	134	467	605	571	571	1,604	3,634	470
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	1,500	578	578	7,136	600	950
LV Networks		-	-	-	1,500	578	578	7,136	600	950
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	1,091	21,908	16,823	16,823	18,769	5,000	13,609
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	1,091	16,166	13,816	13,816	11,648	5,000	4,500
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	5,742	3,007	3,007	7,121	-	9,109
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		6,213	6,503	8,382	5,558	3,350	3,350	17,321	5,520	9,371
Pump Station		355	691	601	850	789	789	640	770	720
Reticulation		-	-	-	3,258	941	941	6,376	1,000	1,500
Waste Water Treatment Works		5,858	5,812	7,781	1,450	1,621	1,621	10,306	3,750	7,151
Solid Waste Infrastructure		659	477	204	800	303	303	880	1,050	3,900
Landfill Sites		-	-	-	-	-	-	480	-	500
Waste Transfer Stations		245	206	-	-	-	-	400	400	-
Waste Processing Facilities		413	271	204	180	173	173	-	-	-
Waste Drop-off Points		-	-	-	620	130	130	-	650	3,400
<b>Community Assets</b>		<b>5,405</b>	<b>4,674</b>	<b>3,024</b>	<b>3,325</b>	<b>5,174</b>	<b>5,174</b>	<b>4,380</b>	<b>1,985</b>	<b>3,400</b>
Community Facilities		4,777	3,226	1,666	1,470	3,743	3,743	3,970	1,450	2,700
Halls		120	391	449	300	286	286	290	-	400
Centres		4,041	-	-	120	1,703	1,703	1,290	-	-
Testing Stations		-	-	-	-	-	-	-	300	400
Libraries		432	1,697	-	-	162	162	-	1,000	1,500
Cemeteries/Crematoria		185	824	1,217	1,050	1,593	1,593	2,050	150	400
Public Open Space		-	31	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	283	-	-	-	-	-	-	-
Sport and Recreation Facilities		628	1,448	1,358	1,855	1,431	1,431	410	535	700
Indoor Facilities		-	17	-	-	-	-	-	-	-
Outdoor Facilities		628	1,431	1,358	1,855	1,431	1,431	410	535	700
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		<b>750</b>	<b>1,455</b>	<b>-</b>	<b>1,980</b>	<b>2,278</b>	<b>2,278</b>	<b>3,775</b>	<b>3,500</b>	<b>2,350</b>
Operational Buildings		750	1,455	-	1,980	2,278	2,278	3,775	3,500	2,350
Municipal Offices		750	1,455	-	1,680	1,978	1,978	3,445	3,000	2,000
Yards		-	-	-	300	300	300	330	500	350
<b>Intangible Assets</b>		<b>14</b>	<b>576</b>	<b>382</b>	<b>610</b>	<b>145</b>	<b>145</b>	<b>1,030</b>	<b>100</b>	<b>100</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		14	576	382	610	145	145	1,030	100	100
Computer Software and Applications		14	576	382	610	145	145	1,030	100	100
<b>Computer Equipment</b>		<b>575</b>	<b>359</b>	<b>1,290</b>	<b>1,620</b>	<b>1,364</b>	<b>1,364</b>	<b>1,510</b>	<b>3,935</b>	<b>3,820</b>
Computer Equipment		575	359	1,290	1,620	1,364	1,364	1,510	3,935	3,820
<b>Furniture and Office Equipment</b>		<b>563</b>	<b>1,085</b>	<b>1,004</b>	<b>1,601</b>	<b>2,193</b>	<b>2,193</b>	<b>885</b>	<b>710</b>	<b>458</b>
Furniture and Office Equipment		563	1,085	1,004	1,601	2,193	2,193	885	710	458
<b>Machinery and Equipment</b>		<b>678</b>	<b>1,258</b>	<b>1,599</b>	<b>2,070</b>	<b>6,041</b>	<b>6,041</b>	<b>5,316</b>	<b>9,390</b>	<b>572</b>
Machinery and Equipment		678	1,258	1,599	2,070	6,041	6,041	5,316	9,390	572
<b>Transport Assets</b>		<b>4,489</b>	<b>5,775</b>	<b>3,044</b>	<b>7,310</b>	<b>9,381</b>	<b>9,381</b>	<b>4,426</b>	<b>2,220</b>	<b>5,070</b>
Transport Assets		4,489	5,775	3,044	7,310	9,381	9,381	4,426	2,220	5,070
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>22,988</b>	<b>22,592</b>	<b>21,692</b>	<b>50,145</b>	<b>48,302</b>	<b>48,302</b>	<b>73,537</b>	<b>37,744</b>	<b>45,370</b>

**Table 50 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

**WC013 Bergrivier - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		4,104	7,367	3,455	5,349	5,541	5,541	2,000	4,810	6,170
Roads Infrastructure		-	-	41	50	-	-	490	3,400	3,600
Roads		-	-	41	50	-	-	490	3,400	3,600
Electrical Infrastructure		2,586	5,170	2,028	2,120	2,350	2,350	780	110	120
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		244	144	1,094	1,000	1,300	1,300	700	-	-
MV Switching Stations		-	-	-	70	-	-	40	40	50
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		2,341	5,025	934	1,050	1,050	1,050	40	70	70
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		1,518	2,197	1,385	3,179	3,191	3,191	730	1,300	2,450
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		43	-	-	50	-	-	40	50	50
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	39	-	-	-	-	-	-	1,500
Bulk Mains		-	100	-	-	-	-	-	-	-
Distribution		1,475	2,059	1,385	3,129	3,191	3,191	690	1,250	900
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		205	915	326	5,745	5,838	5,838	3,084	3,459	2,261
Community Facilities		119	318	140	445	609	609	484	600	-
Libraries		-	275	22	-	104	104	-	-	-
Cemeteries/Crematoria		100	-	84	400	471	471	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		19	43	34	45	33	33	484	600	-
Sport and Recreation Facilities		86	597	187	5,300	5,229	5,229	2,600	2,859	2,261
Indoor Facilities		86	99	79	200	181	181	100	250	-
Outdoor Facilities		-	498	108	5,100	5,048	5,048	2,500	2,609	2,261
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	1,000	1,000	1,000	3,050	-	-
Revenue Generating		-	-	-	1,000	1,000	1,000	3,050	-	-
Improved Property		-	-	-	1,000	1,000	1,000	3,050	-	-
<b>Other assets</b>		-	113	258	-	-	-	490	-	500
Operational Buildings		-	113	258	-	-	-	490	-	500
Municipal Offices		-	113	-	-	-	-	-	-	-
Stores		-	-	258	-	-	-	490	-	500
<b>Computer Equipment</b>		349	498	878	400	405	405	300	500	-
Computer Equipment		349	498	878	400	405	405	300	500	-
<b>Furniture and Office Equipment</b>		387	533	539	350	366	366	125	80	20
Furniture and Office Equipment		387	533	539	350	366	366	125	80	20
<b>Machinery and Equipment</b>		17	-	171	-	-	-	-	-	-
Machinery and Equipment		17	-	171	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1</b>	<b>5,062</b>	<b>9,426</b>	<b>5,629</b>	<b>12,844</b>	<b>13,151</b>	<b>13,151</b>	<b>9,049</b>	<b>8,849</b>	<b>8,951</b>
<b>Renewal of Existing Assets as % of total capex</b>		12.4%	19.0%	10.7%	15.4%	15.5%	15.5%	8.8%	12.1%	12.7%
<b>Renewal of Existing Assets as % of deprecn"</b>		26.5%	43.1%	20.4%	44.8%	43.4%	43.4%	27.7%	26.0%	26.0%

**Table 51 MBRR SA34c - Repairs and maintenance expenditure by asset class**

**WC013 Bergrivier - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		4,399	4,127	4,288	4,632	5,205	5,205	6,020	5,395	5,670
Roads Infrastructure		617	774	852	810	776	776	1,689	870	914
Roads		617	774	852	810	776	776	1,689	870	914
Storm water Infrastructure		202	269	193	335	365	365	371	405	425
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		202	269	193	335	365	365	371	405	425
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2,770	2,010	1,948	2,350	2,638	2,638	2,578	2,712	2,855
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		2,770	2,010	1,948	2,350	2,638	2,638	2,578	2,712	2,855
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		586	522	624	580	807	807	800	800	838
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		586	522	624	580	807	807	800	800	838
Sanitation Infrastructure		224	552	672	541	614	614	565	591	619
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		224	552	672	541	614	614	565	591	619
Solid Waste Infrastructure		-	-	-	16	5	5	17	18	19
Landfill Sites		-	-	-	16	5	5	17	18	19
<b>Community Assets</b>		10,813	9,450	10,811	13,869	12,415	12,415	15,106	15,996	16,897
Community Facilities		7,976	7,012	7,821	10,295	8,659	8,659	10,849	11,707	12,370
Cemeteries/Crematoria		503	454	815	900	699	699	950	996	1,051
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		7,474	6,558	7,005	9,395	7,960	7,960	9,899	10,711	11,319
Nature Reserves		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		2,837	2,438	2,990	3,574	3,756	3,756	4,257	4,289	4,527
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		2,837	2,438	2,990	3,574	3,756	3,756	4,257	4,289	4,527
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		4,063	3,977	5,649	5,167	6,537	6,537	7,403	10,337	10,852
Operational Buildings		4,054	3,974	5,612	5,108	6,438	6,438	7,292	10,274	10,786
Municipal Offices		4,054	3,974	5,612	5,108	6,438	6,438	7,292	10,274	10,786
Housing		9	3	38	59	99	99	111	63	66
Social Housing		9	3	38	59	99	99	111	63	66
<b>Computer Equipment</b>		239	1,176	318	371	1,150	1,150	380	396	413
Computer Equipment		239	1,176	318	371	1,150	1,150	380	396	413
<b>Furniture and Office Equipment</b>		19	23	39	30	30	30	31	58	59
Furniture and Office Equipment		19	23	39	30	30	30	31	58	59
<b>Machinery and Equipment</b>		723	857	1,355	1,042	1,201	1,201	1,175	1,222	1,278
Machinery and Equipment		723	857	1,355	1,042	1,201	1,201	1,175	1,222	1,278
<b>Transport Assets</b>		2,203	2,666	3,256	3,375	3,258	3,258	3,638	3,823	4,002
Transport Assets		2,203	2,666	3,256	3,375	3,258	3,258	3,638	3,823	4,002
<b>Total Repairs and Maintenance Expenditure</b>	1	<b>22,461</b>	<b>22,274</b>	<b>25,716</b>	<b>28,485</b>	<b>29,795</b>	<b>29,795</b>	<b>33,753</b>	<b>37,227</b>	<b>39,170</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		5.4%	4.7%	5.2%	5.2%	5.4%	5.4%	5.4%	5.6%	5.6%
<b>R&amp;M as % Operating Expenditure</b>		6.1%	5.8%	6.2%	5.8%	6.1%	6.1%	6.9%	6.9%	6.9%

**Table 52 MBRR SA34d Depreciation by asset class**

**WC013 Bergrivier - Supporting Table SA34d Depreciation by asset class**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>11,911</b>	<b>14,400</b>	<b>20,673</b>	<b>20,186</b>	<b>23,003</b>	<b>23,003</b>	<b>24,556</b>	<b>25,540</b>	<b>25,639</b>
Roads Infrastructure		2,028	2,413	2,859	3,172	3,224	3,224	3,749	4,071	4,192
Roads		2,028	2,413	2,859	3,172	3,224	3,224	3,749	4,071	4,192
Storm water Infrastructure		325	449	422	414	419	419	427	433	435
Drainage Collection		325	449	422	414	419	419	427	433	435
Electrical Infrastructure		1,729	1,508	1,991	2,154	2,166	2,166	2,371	2,565	2,673
MV Substations		1,716	1,508	1,991	2,151	2,165	2,165	2,371	2,565	2,673
LV Networks		13	-	-	3	1	1	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		3,278	2,315	2,541	2,585	2,759	2,759	3,161	3,335	3,222
Pump Stations		2,036	2,315	2,541	2,577	2,758	2,758	3,161	3,335	3,222
Water Treatment Works		1,242	-	-	8	1	1	-	-	-
Sanitation Infrastructure		1,074	3,153	3,040	3,044	3,181	3,181	3,484	3,676	3,637
Pump Station		350	-	-	6	1	1	-	-	-
Reticulation		724	3,153	3,040	3,038	3,180	3,180	3,484	3,676	3,637
Solid Waste Infrastructure		3,477	4,562	9,820	8,817	11,254	11,254	11,364	11,460	11,480
Landfill Sites		3,023	4,139	9,294	8,491	10,744	10,744	10,744	10,744	10,766
Waste Transfer Stations		0	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		454	423	526	326	510	510	620	716	714
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>1,861</b>	<b>1,571</b>	<b>1,456</b>	<b>2,569</b>	<b>1,672</b>	<b>1,672</b>	<b>1,868</b>	<b>2,024</b>	<b>2,120</b>
Community Facilities		617	630	881	767	991	991	1,112	1,146	1,159
Halls		(21)	89	99	267	233	233	254	262	265
Centres		-	2	315	69	286	286	330	330	331
Museums		308	-	-	-	-	-	-	-	-
Libraries		182	117	94	206	88	88	89	82	79
Cemeteries/Crematoria		143	117	111	203	132	132	179	205	215
Public Open Space		5	305	262	22	252	252	260	267	269
Sport and Recreation Facilities		1,244	942	575	1,802	681	681	756	878	961
Indoor Facilities		-	5	-	36	1	1	-	-	-
Outdoor Facilities		1,244	936	575	1,766	680	680	756	878	961
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>23</b>	<b>24</b>	<b>17</b>	<b>24</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
Revenue Generating		23	24	17	24	18	18	18	18	18
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		23	24	17	24	18	18	18	18	18
<b>Other assets</b>		<b>842</b>	<b>1,043</b>	<b>531</b>	<b>801</b>	<b>563</b>	<b>563</b>	<b>589</b>	<b>602</b>	<b>605</b>
Operational Buildings		842	1,043	531	801	563	563	589	602	605
Municipal Offices		838	1,043	531	801	563	563	589	602	605
<b>Intangible Assets</b>		<b>390</b>	<b>501</b>	<b>396</b>	<b>346</b>	<b>439</b>	<b>439</b>	<b>445</b>	<b>455</b>	<b>471</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		390	501	396	346	439	439	445	455	471
Computer Software and Applications		390	501	396	346	439	439	445	455	471
<b>Computer Equipment</b>		<b>523</b>	<b>517</b>	<b>630</b>	<b>619</b>	<b>635</b>	<b>635</b>	<b>731</b>	<b>793</b>	<b>803</b>
Computer Equipment		523	517	630	619	635	635	731	793	803
<b>Furniture and Office Equipment</b>		<b>1,050</b>	<b>908</b>	<b>974</b>	<b>874</b>	<b>907</b>	<b>907</b>	<b>980</b>	<b>976</b>	<b>921</b>
Furniture and Office Equipment		1,050	908	974	874	907	907	980	976	921
<b>Machinery and Equipment</b>		<b>1,166</b>	<b>823</b>	<b>873</b>	<b>843</b>	<b>898</b>	<b>898</b>	<b>1,048</b>	<b>1,146</b>	<b>1,224</b>
Machinery and Equipment		1,166	823	873	843	898	898	1,048	1,146	1,224
<b>Transport Assets</b>		<b>1,316</b>	<b>2,078</b>	<b>2,075</b>	<b>2,406</b>	<b>2,135</b>	<b>2,135</b>	<b>2,421</b>	<b>2,542</b>	<b>2,679</b>
Transport Assets		1,316	2,078	2,075	2,406	2,135	2,135	2,421	2,542	2,679
<b>Total Depreciation</b>	<b>1</b>	<b>19,083</b>	<b>21,865</b>	<b>27,625</b>	<b>28,668</b>	<b>30,270</b>	<b>30,270</b>	<b>32,656</b>	<b>34,096</b>	<b>34,480</b>

**Table 53 MBRR SA34e Capital expenditure on the upgrading of existing assets by asset class**

**WC013 Bergrivier - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		11,627	15,637	21,406	18,415	22,087	22,087	15,964	26,520	15,848
Roads Infrastructure		9,094	12,337	15,321	10,890	11,497	11,497	3,980	8,800	6,300
Roads		9,094	12,337	15,321	10,890	11,497	11,497	3,980	8,800	6,300
Electrical Infrastructure		2,533	3,383	2,320	3,500	3,400	3,400	1,310	11,906	6,748
MV Substations		-	-	572	-	-	-	-	550	-
MV Switching Stations		-	-	-	-	-	-	20	30	-
MV Networks		748	900	863	700	700	700	400	450	-
LV Networks		1,785	2,483	885	2,800	2,700	2,700	890	10,876	6,748
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	(83)	2,329	1,525	3,875	3,875	9,074	5,214	2,200
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	217	-	-	-	7,574	3,564	650
Distribution		-	(83)	2,113	1,525	3,875	3,875	1,500	1,500	1,550
Sanitation Infrastructure		-	-	1,023	2,500	3,315	3,315	1,600	600	600
Waste Water Treatment Works		-	-	1,023	2,500	3,315	3,315	1,600	600	600
Solid Waste Infrastructure		-	-	412	-	-	-	-	-	-
Waste Drop-off Points		-	-	412	-	-	-	-	-	-
<b>Community Assets</b>		1,005	979	2,163	1,450	1,263	1,263	2,520	200	500
Community Facilities		766	490	101	100	97	97	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		507	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		87	144	-	-	-	-	-	-	-
Public Open Space		172	345	101	100	97	97	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		239	490	2,062	1,350	1,166	1,166	2,520	200	500
Indoor Facilities		-	40	-	-	-	-	-	-	-
Outdoor Facilities		239	450	2,062	1,350	1,166	1,166	2,520	200	500
<b>Other assets</b>		-	1,015	1,904	300	199	199	1,280	-	-
Operational Buildings		-	1,015	1,904	300	199	199	1,280	-	-
Municipal Offices		-	1,015	1,732	-	-	-	900	-	-
Workshops		-	-	172	300	199	199	380	-	-
<b>Intangible Assets</b>		201	-	-	-	-	-	-	-	-
Licences and Rights		201	-	-	-	-	-	-	-	-
Computer Software and Applications		201	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	90	-	-
Machinery and Equipment		-	-	-	-	-	-	90	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	12,833	17,631	25,473	20,165	23,549	23,549	19,854	26,720	16,348
<b>Upgrading of Existing Assets as % of total capex</b>		31.4%	35.5%	48.3%	24.3%	27.7%	27.7%	19.4%	36.4%	23.1%
<b>Upgrading of Existing Assets as % of deprecn"</b>		67.2%	80.6%	92.2%	70.3%	77.8%	77.8%	60.8%	78.4%	47.4%

**Table 54 MBRR SA35 - Future financial implications of the capital budget**

**WC013 Bergrevier - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Municipal Manager		1,460	30	30				
Vote 2 - Finance		500	20	-				
Vote 3 - Corporate Services		2,775	4,355	3,700				
Vote 4 - Technical Services		44,284	38,869	29,977				
Vote 5 - Technical Services (Continued)		40,192	22,940	29,571				
Vote 6 - Community Services		8,905	3,375	3,700				
Vote 7 - Community Services (Continued)		4,325	3,724	3,691				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>102,441</b>	<b>73,313</b>	<b>70,669</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Municipal Manager								
Vote 2 - Finance								
Vote 3 - Corporate Services								
Vote 4 - Technical Services								
Vote 5 - Technical Services (Continued)								
Vote 6 - Community Services								
Vote 7 - Community Services (Continued)								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		<b>102,441</b>	<b>73,313</b>	<b>70,669</b>	-	-	-	-

**Table 55 MBRR SA36 Detailed capital budget**

**WC013 Bergrivier - Supporting Table SA36 Detailed capital budget**

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Ward Location	2023/24 Medium Term Revenue & Expenditure Framework				
						Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>Parent municipality:</b>										
<i>List all capital projects grouped by Function</i>										
1.1 - Mayor and Council	Diverse office furniture and equipment	Furniture and Office Equipment	Furniture and Office Equipment	Admin	120	10	20	20		
1.2 - Municipal Manager	Furniture and equipment - Communication	Furniture and Office Equipment	Furniture and Office Equipment	Admin	8	5	-	-		
1.2 - Municipal Manager	Furniture and equipment - MM Office	Furniture and Office Equipment	Furniture and Office Equipment	Admin	12	5	10	10		
1.3 - Economic Development/Planning	Computer Equipment , Printers (Youth Centre)	Computer Equipment	Computer Equipment	4	78	-	-	-		
1.3 - Economic Development/Planning	Furniture , Equipment (Youth Centre)	Furniture and Office Equipment	Furniture and Office Equipment	4	80	-	-	-		
1.3 - Economic Development/Planning	Jeugsentrum PB: Furniture and equipment	Furniture and Office Equipment	Furniture and Office Equipment	4	-	150	-	-		
1.3 - Economic Development/Planning	Jeugsentrum PB: Fencing of centre	Community Facilities	Centres	4	-	190	-	-		
1.3 - Economic Development/Planning	Furniture and equipment	Furniture and Office Equipment	Furniture and Office Equipment	Admin	310	-	-	-		
1.3 - Economic Development/Planning	Informal Trading Area	Community Facilities	Centres	6	-	1,100	-	-		
1.3 - Economic Development/Planning	Construction : PB Youth Centre	Community Facilities	Centres	4	1,583	-	-	-		
2.1 - Finance	Furniture , Equipment - Finance	Furniture and Office Equipment	Furniture and Office Equipment	Admin	57	10	20	-		
2.1 - Finance	Replacement of computers	Computer Equipment	Computer Equipment	Admin	100	-	-	-		
2.1 - Finance	Vesta - Phoenix (CR)	Licences and Rights	Computer Software and Applications	Whole	145	-	-	-		
2.1 - Finance	Vehicle	Transport Assets	Transport Assets	Admin	193	-	-	-		
2.1 - Finance	Upgrade SCM Stores	Operational Buildings	Stores	3	-	490	-	-		
3.1 - Planning and Development	Regional Socio Projects (RSEP Funding)	Community Facilities	Centres	Whole	120	-	-	-		
3.1 - Planning and Development	Furniture , Equipment - Planning Development	Furniture and Office Equipment	Furniture and Office Equipment	Admin	131	-	-	-		
3.2 - Human Resources	Portable Meeting Recorder	Furniture and Office Equipment	Furniture and Office Equipment	Admin	-	15	-	-		
3.2 - Human Resources	Furniture , Equipment - Human Resources	Furniture and Office Equipment	Furniture and Office Equipment	Admin	38	10	10	-		
3.2 - Human Resources	Electronic application system for vacancies	Licences and Rights	Computer Software and Applications	Admin	-	190	-	-		
3.2 - Human Resources	Time and Attendance System (Payday)	Licences and Rights	Computer Software and Applications	Admin	-	750	-	-		
3.3 - Information Technology	IT Equipment	Computer Equipment	Computer Equipment	Admin	-	100	110	-		
3.3 - Information Technology	Wi-Fi Installation at Offices of BRM	Computer Equipment	Computer Equipment	Whole	157	-	200	-		
3.3 - Information Technology	Website - ( Depended on SITA analysis and Strategic Report)	Computer Equipment	Computer Equipment	Whole	-	190	-	200		
3.3 - Information Technology	Disaster Recovery Site	Operational Buildings	Municipal Offices	Whole	435	-	-	-		
3.3 - Information Technology	ERP (Integrated Electronic Records Management, Customer Care Cre	Computer Equipment	Computer Equipment	Whole	-	560	-	500		
3.3 - Information Technology	Replacement of computers	Computer Equipment	Computer Equipment	Admin	300	300	500	-		
3.3 - Information Technology	IT System Upgrade (Enhancement of IT system : Busi	Computer Equipment	Computer Equipment	Admin	1,070	500	500	-		
3.3 - Information Technology	Smart City Network Infrastructure	Computer Equipment	Computer Equipment	Whole	-	-	3,000	3,000		
3.4 - Administrative and Corporate Support	Furniture , Equipment - Corporate Services	Furniture and Office Equipment	Furniture and Office Equipment	Admin	20	-	-	-		
3.4 - Administrative and Corporate Support	Photocopier machine for new office building	Furniture and Office Equipment	Furniture and Office Equipment	Admin	-	150	-	-		
3.5 - Director: Corporate Services	FURNITURE AND EQUIPMENT - DIRECTOR CORPORATE SERVI	Furniture and Office Equipment	Furniture and Office Equipment	Admin	31	10	35	-		
4.1 - Building Control	Printer - Vacant building inspector (VD)	Computer Equipment	Computer Equipment	Admin	10	-	-	-		
4.1 - Building Control	Furniture - Vacant building inspector (VD)	Furniture and Office Equipment	Furniture and Office Equipment	Admin	13	-	-	-		
4.1 - Building Control	Furniture , Equipment - Building Control	Furniture and Office Equipment	Furniture and Office Equipment	Whole	5	5	6	-		
4.1 - Building Control	Computer and peripherals - Vacant building inspect	Computer Equipment	Computer Equipment	Admin	35	-	-	-		
4.1 - Building Control	Equipment - Tablet, Plotter	Computer Equipment	Computer Equipment	Whole	-	140	125	120		
4.2 - Project Management Unit	Furniture and Equipment - Project Management	Furniture and Office Equipment	Furniture and Office Equipment	Whole	7	5	9	-		
4.2 - Project Management Unit	Porterville 177 Housing (Water)				129	2,625				
4.2 - Project Management Unit	Porterville 177 Housing (Sanitation)					2,625				
4.2 - Project Management Unit	Porterville 177 Housing (Roads)					2,625				
4.2 - Project Management Unit	Porterville 177 Housing (Electricity)					2,625				
4.2 - Project Management Unit	Piketberg N7 Housing (46) (Roads)					167				
4.2 - Project Management Unit	Piketberg N7 Housing (46) (Water)					167				
4.2 - Project Management Unit	Piketberg N7 Housing (46) (Sanitation)					167				
4.2 - Project Management Unit	Piketberg N7 Housing (46) (Electricity)					167				
4.2 - Project Management Unit	Piketberg 181 Housing (Sanitation)					2,350				
4.2 - Project Management Unit	Piketberg 181 Housing (Water)					2,350				
4.2 - Project Management Unit	Piketberg 181 Housing (Roads)					2,350				
4.2 - Project Management Unit	Piketberg 181 Housing (Electricity)					2,350				
4.2 - Project Management Unit	Eendekuil 47 Housing (Electricity)				78	810				
4.2 - Project Management Unit	Eendekuil 47 Housing (Sanitation)					810				

4.2 - Project Management Unit	Eendekuil 47 Housing (Roads)						810		
4.2 - Project Management Unit	Eendekuil 47 Housing (Water)						810		
4.2 - Project Management Unit	Piketberg (1000) (150) Housing (Sanitation)				208		295		
4.2 - Project Management Unit	Piketberg (1000) (150) Housing (Water)						295		
4.2 - Project Management Unit	Piketberg (1000) (150) Housing (Roads)						295		
4.2 - Project Management Unit	Piketberg (1000) (150) Housing (Electricity)						295		
4.2 - Project Management Unit	Piketberg Trajekte Kamp (80) (Sanitation)				111		60		
4.2 - Project Management Unit	Piketberg Trajekte Kamp (80) (Water)						60		
4.2 - Project Management Unit	Piketberg Trajekte Kamp (80) (Roads)						60		
4.2 - Project Management Unit	Piketberg Trajekte Kamp (80) (Electricity)						60		
4.2 - Project Management Unit	Repair existing combi-courts EE, PV, VD	<i>Sport and Recreation Facilities</i>	<i>Outdoor Facilities</i>	Whole	4,500	1,500	-	-	
4.2 - Project Management Unit	New municipal offices	<i>Operational Buildings</i>	<i>Municipal Offices</i>	Admin	840	3,150	2,000	2,000	
4.3 - Property Services	Furniture , Equipment - Council Property	<i>Furniture and Office Equipment</i>	<i>Furniture and Office Equipment</i>	Whole	5	5	6	6	
4.3 - Property Services	Tools	<i>Machinery and Equipment</i>	<i>Machinery and Equipment</i>	Whole	8	10	10	12	
4.3 - Property Services	Air conditioners - offices	<i>Furniture and Office Equipment</i>	<i>Furniture and Office Equipment</i>	Whole	22	50	60	60	
4.3 - Property Services	Stores Aurora	<i>Operational Buildings</i>	<i>Yards</i>	6	-	-	-	350	
4.3 - Property Services	Security Measures Piketberg Main Office	<i>Operational Buildings</i>	<i>Municipal Offices</i>	3	500	-	-	-	
4.3 - Property Services	Ontwikkel munisipale kantore VD	<i>Operational Buildings</i>	<i>Municipal Offices</i>	6	-	10	1,000	-	
4.3 - Property Services	Stores Veldrif (Erf 551)	<i>Operational Buildings</i>	<i>Yards</i>	6&7	300	330	500	-	
4.3 - Property Services	Security at municipal buildings	<i>Furniture and Office Equipment</i>	<i>Furniture and Office Equipment</i>	Admin	1,042	350	500	300	
4.3 - Property Services	Special Needs Friendly Facilities					400			
4.5 - Solid Waste Removal	Refuse carts	<i>Machinery and Equipment</i>	<i>Machinery and Equipment</i>	Whole	-	-	20	-	
4.5 - Solid Waste Removal	Tools	<i>Machinery and Equipment</i>	<i>Machinery and Equipment</i>	Whole	10	10	10	10	
4.5 - Solid Waste Removal	Furniture , Equipment - Refuse Removal	<i>Furniture and Office Equipment</i>	<i>Furniture and Office Equipment</i>	Whole	10	5	10	11	
4.5 - Solid Waste Removal	Upgrade Refuse building - PB (Security Cameras)	<i>Machinery and Equipment</i>	<i>Machinery and Equipment</i>	3&4	-	90	-	-	
4.5 - Solid Waste Removal	Trailers	<i>Transport Assets</i>	<i>Transport Assets</i>	Whole	-	-	-	140	
4.5 - Solid Waste Removal	Heist op den Berg Equipment	<i>Machinery and Equipment</i>	<i>Machinery and Equipment</i>	Whole	-	160	-	-	
4.5 - Solid Waste Removal	Heist op den Berg Composting Drums	<i>Solid Waste Infrastructure</i>	<i>Waste Processing Facilities</i>	Whole	173	-	-	-	
4.5 - Solid Waste Removal	Skips at Drop Off	<i>Solid Waste Infrastructure</i>	<i>Waste Drop-off Points</i>	1&2	130	-	150	-	
4.5 - Solid Waste Removal	Drop Off - Eendekuil	<i>Solid Waste Infrastructure</i>	<i>Waste Drop-off Points</i>	5	-	-	-	400	
4.5 - Solid Waste Removal	Heist op den Berg Visual Awareness Campaign	<i>Furniture and Office Equipment</i>	<i>Furniture and Office Equipment</i>	Whole	475	80	-	-	
4.5 - Solid Waste Removal	Wood Chipper	<i>Machinery and Equipment</i>	<i>Machinery and Equipment</i>	1&2	-	-	600	-	
4.5 - Solid Waste Removal	Upgrade Refuse building - PB	<i>Operational Buildings</i>	<i>Workshops</i>	3&4	199	380	-	-	
4.5 - Solid Waste Removal	Fencing at PB Transfer Station	<i>Solid Waste Infrastructure</i>	<i>Waste Transfer Stations</i>	3&4	-	400	400	-	
4.5 - Solid Waste Removal	Replace CEX 1592	<i>Transport Assets</i>	<i>Transport Assets</i>	Whole	801	-	-	-	
4.5 - Solid Waste Removal	Fencing at Landfill Sites	<i>Solid Waste Infrastructure</i>	<i>Landfill Sites</i>	Whole	-	480	-	500	
4.5 - Solid Waste Removal	Refuse compactor	<i>Transport Assets</i>	<i>Transport Assets</i>	Whole	2,140	-	-	-	
4.5 - Solid Waste Removal	Drop Off - Redelinghuys	<i>Solid Waste Infrastructure</i>	<i>Waste Drop-off Points</i>	5	-	-	500	3,000	
4.6 - Street Cleaning	Refuse Bins and stands	<i>Machinery and Equipment</i>	<i>Machinery and Equipment</i>	Whole	-	10	20	-	
4.7 - Roads	Furniture , Equipment - Roads	<i>Furniture and Office Equipment</i>	<i>Furniture and Office Equipment</i>	Whole	10	5	5	-	
4.7 - Roads	PV Sidewalks (lowcost)	<i>Roads Infrastructure</i>	<i>Roads</i>	2	60	-	-	-	
4.7 - Roads	Upgrade of roads and stormwater	<i>Roads Infrastructure</i>	<i>Roads</i>	5	76	-	-	-	
4.7 - Roads	RH Sidewalks (lowcost)	<i>Roads Infrastructure</i>	<i>Roads</i>	5	85	-	-	-	
4.7 - Roads	VD Sidewalks (lowcost)	<i>Roads Infrastructure</i>	<i>Roads</i>	7	97	-	-	-	
4.7 - Roads	AUR Sidewalks (lowcost)	<i>Roads Infrastructure</i>	<i>Roads</i>	6	106	-	-	-	
4.7 - Roads	Transport Trailers Multi Purpose	<i>Transport Assets</i>	<i>Transport Assets</i>	Whole	-	-	120	-	
4.7 - Roads	Tools	<i>Machinery and Equipment</i>	<i>Machinery and Equipment</i>	Whole	88	40	60	-	
4.7 - Roads	Cement ditches in Aurora	<i>Storm water Infrastructure</i>	<i>Storm water Conveyance</i>	6	80	40	60	70	
4.7 - Roads	Traffic calming measures (Speed bumps) Bring Traff	<i>Roads Infrastructure</i>	<i>Roads</i>	Whole	100	200	100	100	
4.7 - Roads	Vervang CFP 1413	<i>Transport Assets</i>	<i>Transport Assets</i>	6	334	-	-	-	
4.7 - Roads	Upgrade Side walks (VD)	<i>Roads Infrastructure</i>	<i>Roads</i>	Whole	-	-	350	-	
4.7 - Roads	Replace CFP 2902	<i>Transport Assets</i>	<i>Transport Assets</i>	6&7	512	-	-	-	
4.7 - Roads	Remedial works on Roads - PB Industrial Area	<i>Roads Infrastructure</i>	<i>Roads</i>	3	-	340	300	-	
4.7 - Roads	Upgrade Side walks (PV)	<i>Roads Infrastructure</i>	<i>Roads</i>	2	300	180	250	-	
4.7 - Roads	Herbou van grond paaiie - industriële area VD	<i>Roads Infrastructure</i>	<i>Roads</i>	7	-	340	300	-	
4.7 - Roads	Upgrade of roads and stormwater (PB)	<i>Roads Infrastructure</i>	<i>Roads</i>	Whole	856	-	-	-	
4.7 - Roads	Construction of roads: RDP Houses	<i>Roads Infrastructure</i>	<i>Roads</i>	Whole	300	-	300	300	
4.7 - Roads	Replace CEX 4262	<i>Transport Assets</i>	<i>Transport Assets</i>	1&2	933	-	-	-	
4.7 - Roads	Upgrade Side walks (PB)	<i>Roads Infrastructure</i>	<i>Roads</i>	3	300	90	300	300	
4.7 - Roads	Upgrade Side walks (VD)	<i>Roads Infrastructure</i>	<i>Roads</i>	7	300	200	300	300	
4.7 - Roads	Munisipale Dienste Ontwikkeling (Aloe - PB)	<i>Roads Infrastructure</i>	<i>Roads</i>	Whole	-	-	-	1,200	
4.7 - Roads	Remedial works on Roads - Culemborg Road	<i>Roads Infrastructure</i>	<i>Roads</i>	3	550	140	500	-	



4.7 - Roads	Digger Loader	Transport Assets	Transport Assets	6 & 7	-	-	-	1,300
4.7 - Roads	Unserviced erven - Redelinghuys	Roads Infrastructure	Roads	5	200	190	500	500
4.7 - Roads	Construction of roads (BM) - Lys van Hoofde	Roads Infrastructure	Roads	Whole	700	-	300	400
4.7 - Roads	Replace CFP 6247	Transport Assets	Transport Assets	6&7	-	-	-	1,400
4.7 - Roads	Herbou strate - Laaiplek 2	Roads Infrastructure	Roads	7	-	-	800	600
4.7 - Roads	Herbou Strate Wyk 3	Roads Infrastructure	Roads	3	-	490	600	500
4.7 - Roads	Upgrade of roads and stormwater (EK)	Roads Infrastructure	Roads	5	2,489	-	-	-
4.7 - Roads	Upgrade of roads and stormwater AU	Roads Infrastructure	Roads	6	-	-	1,000	1,500
4.7 - Roads	Upgrade of roads and stormwater (AUR)	Roads Infrastructure	Roads	6	2,712	-	-	-
4.7 - Roads	Rebuild Kerklaan	Roads Infrastructure	Roads	6	-	500	2,000	3,000
4.7 - Roads	Reseal Voortrekker Road (VD)	Roads Infrastructure	Roads	7	-	-	2,000	2,500
4.7 - Roads	Reseal/Construction of streets	Roads Infrastructure	Roads	Whole	2,367	2,000	2,400	-
4.8 - Electricity	Christmas lights	Electrical Infrastructure	LV Networks	Whole	-	240	-	-
4.8 - Electricity	Larger HT Switches - standby battery cell	Electrical Infrastructure	MV Switching Stations	Whole	-	20	30	-
4.8 - Electricity	High tension circuit breakers	Electrical Infrastructure	MV Switching Stations	Whole	-	40	40	50
4.8 - Electricity	Installation of new street lights	Electrical Infrastructure	LV Networks	Whole	-	90	100	-
4.8 - Electricity	Bulk meter replacement	Electrical Infrastructure	LV Networks	Whole	100	40	70	70
4.8 - Electricity	Aur Water Security through Solar Assist at Water PS	Machinery and Equipment	Machinery and Equipment	6	-	65	-	-
4.8 - Electricity	Furniture , Equipment - Electricity	Machinery and Equipment	Machinery and Equipment	Whole	50	40	100	100
4.8 - Electricity	Vervang CBY 11834	Transport Assets	Transport Assets	6&7	-	-	350	-
4.8 - Electricity	Vervang CBY 11835	Transport Assets	Transport Assets	3&4	-	-	-	380
4.8 - Electricity	Extending Electrical Store PV	Operational Buildings	Stores	1&2	-	-	-	500
4.8 - Electricity	Minisub in Basson Street Porterville Increase Demand	Electrical Infrastructure	MV Substations	1	-	-	550	-
4.8 - Electricity	RH Water Security through Solar Assist at Water PS & WTW	Machinery and Equipment	Machinery and Equipment	5	-	87	-	-
4.8 - Electricity	Mid block lines	Electrical Infrastructure	LV Networks	Whole	-	-	400	400
4.8 - Electricity	Replace O/H feeder to Monte Bertha	Electrical Infrastructure	LV Networks	Whole	950	-	-	-
4.8 - Electricity	Replace CEX 6454 (cherry picker)	Transport Assets	Transport Assets	1&2	1,080	-	-	-
4.8 - Electricity	PV Permanent Genset at WWTW	Machinery and Equipment	Machinery and Equipment	1&2	-	196	-	-
4.8 - Electricity	VD Permanent Genset at WWTW	Machinery and Equipment	Machinery and Equipment	6&7	-	196	-	-
4.8 - Electricity	Network Renewals	Electrical Infrastructure	MV Networks	Whole	700	400	450	-
4.8 - Electricity	Replacing conventional electricity meters with pre	Electrical Infrastructure	LV Networks	Whole	1,000	50	300	-
4.8 - Electricity	PB Permanent Genset at WWTW	Machinery and Equipment	Machinery and Equipment	3&4	-	196	-	-
4.8 - Electricity	Security of electrical assets	Machinery and Equipment	Machinery and Equipment	Whole	699	500	500	-
4.8 - Electricity	Retro-fit main substation oil circuit breakers	Electrical Infrastructure	MV Substations	3	1,000	700	-	-
4.8 - Electricity	Mid block lines Noordhoek, VD	Electrical Infrastructure	LV Networks	6	500	200	500	500
4.8 - Electricity	VD Permanent Genset at Albatros Sewerage Pump Station	Machinery and Equipment	Machinery and Equipment	6&7	-	196	-	-
4.8 - Electricity	Replace Dwaarskerbos O/H lines with Cable	Electrical Infrastructure	LV Networks	6	900	450	500	500
4.8 - Electricity	Smart Metering	Electrical Infrastructure	LV Networks	Whole	-	50	1,000	1,000
4.8 - Electricity	Blackout Projects (Loadshedding Emergency Relief Grant)	Machinery and Equipment	Machinery and Equipment	Whole	3,600	-	-	-
4.8 - Electricity	Blackout Projects	Machinery and Equipment	Machinery and Equipment	Whole	926	2,341	300	300
4.8 - Electricity	Bergrivier Bulk Services Upgrade/RDP Houses	Electrical Infrastructure	LV Networks	Whole	-	-	7,826	4,348
4.9 - Street Lighting	Meter municipal assets	Electrical Infrastructure	LV Networks	Whole	-	40	50	-
4.9 - Street Lighting	Take Over Eskom Streetlights - Eendekuil	Electrical Infrastructure	LV Networks	5	-	300	-	450
4.9 - Street Lighting	Replace street lights	Electrical Infrastructure	LV Networks	Whole	800	300	800	500
5.1 - Sewerage	Furniture , Equipment - Sewerage	Furniture and Office Equipment	Furniture and Office Equipment	Whole	12	5	13	14
5.1 - Sewerage	Tools	Machinery and Equipment	Machinery and Equipment	Whole	20	15	20	25
5.1 - Sewerage	Replace rising mains in pump stations	Sanitation Infrastructure	Pump Station	Whole	100	90	120	120
5.1 - Sewerage	Sewer Renewals	Sanitation Infrastructure	Waste Water Treatment Works	Whole	51	140	150	160
5.1 - Sewerage	Fencing Sewer Pump Stations	Sanitation Infrastructure	Pump Station	Whole	127	90	150	150
5.1 - Sewerage	Standby generators for pump stations pump	Machinery and Equipment	Machinery and Equipment	6&7	-	190	400	-
5.1 - Sewerage	Telemetry	Sanitation Infrastructure	Waste Water Treatment Works	Whole	184	170	200	200
5.1 - Sewerage	Munisipale Dienste Ontwikkeling (Wyk 4 PB)	Sanitation Infrastructure	Reticulation	4	622	70	-	-
5.1 - Sewerage	Telemetry at pump stations	Sanitation Infrastructure	Waste Water Treatment Works	Whole	198	190	250	250
5.1 - Sewerage	Switchgear and pumps	Sanitation Infrastructure	Waste Water Treatment Works	Whole	300	290	300	350
5.1 - Sewerage	Sewerage stand by pumps	Sanitation Infrastructure	Waste Water Treatment Works	Whole	237	340	350	350
5.1 - Sewerage	Sewerage network - Velddrif (Port Owen)	Sanitation Infrastructure	Reticulation	6	-	-	1,000	1,500
5.1 - Sewerage	AU Decentralized WWTW (Multi Year)	Sanitation Infrastructure	Waste Water Treatment Works	6	-	-	889	1,828
5.1 - Sewerage	WSIG PB Waste Water Treatment Works					8,696		
5.2 - Waste Water Treatment	Security Fence at Irrigation dam	Sport and Recreation Facilities	Outdoor Facilities	4	57	-	-	-
5.2 - Waste Water Treatment	Security at WWTW	Sanitation Infrastructure	Waste Water Treatment Works	Whole	159	190	200	200

5.2 - Waste Water Treatment	Extention of DKB WWTW (CR)	Sanitation Infrastructure	Waste Water Treatment Works	7	815	-	-	-
5.2 - Waste Water Treatment	Decentralized WWTW Redelinghuys	Sanitation Infrastructure	Waste Water Treatment Works	5	-	-	-	1,000
5.2 - Waste Water Treatment	Fencing WWTW	Sanitation Infrastructure	Waste Water Treatment Works	Whole	493	290	300	400
5.2 - Waste Water Treatment	Disinfection at WWTW	Sanitation Infrastructure	Waste Water Treatment Works	Whole	-	600	600	600
5.2 - Waste Water Treatment	Decentralized WWTW Aurora	Sanitation Infrastructure	Waste Water Treatment Works	6	-	-	2,000	1,000
5.2 - Waste Water Treatment	Extention of DKB WWTW	Sanitation Infrastructure	Waste Water Treatment Works	7	2,500	1,000	-	-
5.3 - Storm Water Management	Furniture , Equipment - Stormwater Management	Furniture and Office Equipment	Furniture and Office Equipment	Whole	6	5	6	7
5.3 - Storm Water Management	Subsurface Drains	Storm water Infrastructure	Storm water Conveyance	4	41	-	-	-
5.3 - Storm Water Management	Fencing of stormwater chanel	Storm water Infrastructure	Storm water Conveyance	5	100	-	-	-
5.3 - Storm Water Management	Stormwaterbrug Wyk 4	Roads Infrastructure	Road Structures	4	-	-	-	-
5.3 - Storm Water Management	Implement Stormwater Masterplan (PB)	Storm water Infrastructure	Storm water Conveyance	4	350	390	400	400
5.3 - Storm Water Management	PV Stormwater Ward 2 (Multi Year)	Storm water Infrastructure	Storm water Conveyance	2	-	587	1,739	-
5.3 - Storm Water Management	PB Stormwater Ward 4 (Multi Year)	Storm water Infrastructure	Storm water Conveyance	4	-	587	2,609	-
5.4 - Water Distribution	Furniture , Equipment - Water	Machinery and Equipment	Machinery and Equipment	Whole	6	10	13	15
5.4 - Water Distribution	Soft Starters Monte Bertha	Sanitation Infrastructure	Pump Station	2	72	-	-	-
5.4 - Water Distribution	Tools	Machinery and Equipment	Machinery and Equipment	Whole	10	20	30	30
5.4 - Water Distribution	Water conservation demand management intervention (Zone Meters)	Water Supply Infrastructure	Distribution	Whole	-	180	200	250
5.4 - Water Distribution	Pumps (standby)	Sanitation Infrastructure	Pump Station	Whole	240	230	250	200
5.4 - Water Distribution	Munisipale Dienste Ontwikkeling (Wyk 4 PB)	Water Supply Infrastructure	Distribution	4	823	120	-	-
5.4 - Water Distribution	Replace mid-block lines	Water Supply Infrastructure	Distribution	6	-	-	500	500
5.4 - Water Distribution	Replace redundant meters	Water Supply Infrastructure	Distribution	2	247	380	400	-
5.4 - Water Distribution	Munisipale Dienste Ontwikkeling (Wyk 2 PV)	Water Supply Infrastructure	Distribution	2	2,055	260	-	-
5.4 - Water Distribution	PB Reservoir (Own Funds MIG)	Water Supply Infrastructure	Reservoirs	Whole	-	4,210	-	-
5.4 - Water Distribution	Prepaid/ Smart Metering (EL)	Water Supply Infrastructure	Distribution	Whole	3,875	1,500	1,500	1,550
5.4 - Water Distribution	VD pipe replacements in Noordhoek (Multi Year)	Water Supply Infrastructure	Distribution	7	-	435	6,457	2,435
5.4 - Water Distribution	Water Conservation and Demand Management	Water Supply Infrastructure	Distribution	Whole	2,739	-	-	-
5.4 - Water Distribution	PB Reservoir	Water Supply Infrastructure	Reservoirs	4	7,391	4,588	-	-
5.4 - Water Distribution	Water Renewals (EL)	Water Supply Infrastructure	Reservoirs	Whole	6,425	2,850	5,000	3,000
5.5 - Water Treatment	Purchase new borehole pumps	Water Supply Infrastructure	Boreholes	6	-	40	50	50
5.5 - Water Treatment	Replace reservoir roof (EK , RH)	Water Supply Infrastructure	Reservoirs	5	-	-	150	-
5.5 - Water Treatment	WTW Building (AU)	Water Supply Infrastructure	Water Treatment Works	6	-	-	250	250
5.5 - Water Treatment	Telemetry: Water	Water Supply Infrastructure	Distribution	Whole	205	130	150	150
5.5 - Water Treatment	Security at Reservoir/Pump Stations	Sanitation Infrastructure	Pump Station	Whole	250	230	250	250
5.5 - Water Treatment	Disinfection at WTW	Water Supply Infrastructure	Water Treatment Works	Whole	-	700	700	-
5.5 - Water Treatment	New Reservoir at Eendkuil	Water Supply Infrastructure	Reservoirs	5	-	-	-	1,500
5.5 - Water Treatment	Sand Filters WTW	Water Supply Infrastructure	Water Treatment Works	1&2	-	-	-	1,500
5.5 - Water Treatment	Upgrade Piketberg WTW	Water Supply Infrastructure	Water Treatment Works	3&4	-	340	800	400
5.5 - Water Treatment	PB Rehabilitation and Upgrading of WTW					6,534	-	-
5.6 - Fleet Management	Transport Assets (NON-VATABLE)	Transport Assets	Transport Assets	Whole	-	500	-	-
5.6 - Fleet Management	Multi Purpose Construction Vehicle	Transport Assets	Transport Assets	Whole	-	-	850	850
5.6 - Fleet Management	Transport Assets (VATABLE)	Transport Assets	Transport Assets	Whole	-	3,000	400	-
6.1 - Director: Community Services	Restoration of PV Museum	Operational Buildings	Municipal Offices	1	-	500	-	-
6.2 - Libraries and Archives	Shelves/Tables/Office furniture for libraries	Furniture and Office Equipment	Furniture and Office Equipment	Whole	29	20	-	-
6.2 - Libraries and Archives	Airconditioners	Community Facilities	Libraries	Whole	104	-	-	-
6.2 - Libraries and Archives	Fencing Libraries Porterville	Community Facilities	Libraries	1	162	-	-	-
6.2 - Libraries and Archives	Upgrading of Aurora Library	Community Facilities	Libraries	6	-	-	1,000	-
6.2 - Libraries and Archives	Goedverwacht Modular Library	Community Facilities	Libraries	3	-	-	-	1,500
6.3 - Community Halls and Facilities	Security Measures	Community Facilities	Halls	Whole	86	-	-	-
6.3 - Community Halls and Facilities	Furniture , Equipment Community Hall	Furniture and Office Equipment	Furniture and Office Equipment	Whole	87	50	-	-
6.3 - Community Halls and Facilities	Upgrading of Community Halls	Community Facilities	Halls	Whole	200	-	-	-
6.3 - Community Halls and Facilities	Upgrade Redelinghuys Community Hall	Community Facilities	Halls	5	-	290	-	-
6.3 - Community Halls and Facilities	Upgrade Aurora Community Hall	Community Facilities	Halls	6	-	-	-	400
6.4 - Cemeteries	Furniture , Equipment - Cemeteries	Furniture and Office Equipment	Furniture and Office Equipment	Whole	2	-	-	-
6.4 - Cemeteries	Tools	Machinery and Equipment	Machinery and Equipment	Whole	19	10	25	-
6.4 - Cemeteries	Gravel access roads - cemetery	Community Facilities	Cemeteries/Crematoria	Whole	121	-	-	-
6.4 - Cemeteries	Building of Toilet - RH	Community Facilities	Cemeteries/Crematoria	5	-	300	-	-
6.4 - Cemeteries	Building of Toilet - AUR	Community Facilities	Cemeteries/Crematoria	6	-	-	-	300
6.4 - Cemeteries	Renewal of Ablution Facilities	Community Facilities	Cemeteries/Crematoria	Whole	350	-	-	-
6.4 - Cemeteries	Upgrade entrance and parking	Community Facilities	Cemeteries/Crematoria	Whole	50	10	150	100
6.4 - Cemeteries	Fencing Cemetery (VD)	Community Facilities	Cemeteries/Crematoria	Whole	-	1,100	-	-

6.4 - Cemeteries	Fence at cemetery (PB)	Community Facilities	Cemeteries/Crematoria	Whole	552	300	-	-
6.4 - Cemeteries	Fence new cemetery: Porterville	Community Facilities	Cemeteries/Crematoria	Whole	991	10	-	-
6.4 - Cemeteries	Upgrade entrance and parking					130		
6.4 - Cemeteries	Fencing Carosini Cemetery					200		
6.5 - Housing (Core)	Furniture , Equipment - Housing	Furniture and Office Equipment	Furniture and Office Equipment	Whole	-	10	-	-
6.5 - Housing (Core)	GPS Tracking Device	Computer Equipment	Computer Equipment	Whole	14	-	-	-
6.5 - Housing (Core)	Rectification of houses in Sand Street (Piketberg)	Non-revenue Generating	Improved Property	Whole	1,000	3,050	-	-
6.7 - Traffic Control	Surveillance Cameras - Ward 5	Machinery and Equipment	Machinery and Equipment	5	-	10	-	-
6.7 - Traffic Control	Cameras DLTC & Cashiers - PV	Machinery and Equipment	Machinery and Equipment	2	-	5	-	-
6.7 - Traffic Control	Computer Equipment	Computer Equipment	Computer Equipment	Whole	-	20	-	-
6.7 - Traffic Control	Animal Control Pole	Machinery and Equipment	Machinery and Equipment	Whole	-	20	-	-
6.7 - Traffic Control	Equipment Active Box	Machinery and Equipment	Machinery and Equipment	Whole	-	30	-	-
6.7 - Traffic Control	Surveillance Cameras - Ward 1	Machinery and Equipment	Machinery and Equipment	1	-	30	-	-
6.7 - Traffic Control	Surveillance Cameras - Ward 2	Machinery and Equipment	Machinery and Equipment	2	-	30	-	-
6.7 - Traffic Control	Cameras DLTC & Cashiers - PB	Machinery and Equipment	Machinery and Equipment	3	-	10	-	-
6.7 - Traffic Control	Cameras DLTC & Cashiers - VD	Machinery and Equipment	Machinery and Equipment	7	-	10	-	-
6.7 - Traffic Control	Dash Cams	Machinery and Equipment	Machinery and Equipment	3	-	40	-	-
6.7 - Traffic Control	Airconditioners Active Box	Operational Buildings	Municipal Offices	4	-	40	-	-
6.7 - Traffic Control	Bodycams	Machinery and Equipment	Machinery and Equipment	Whole	49	-	-	-
6.7 - Traffic Control	Furniture , Equipment - Traffic Department	Furniture and Office Equipment	Furniture and Office Equipment	Whole	13	10	30	-
6.7 - Traffic Control	Fire Arms	Machinery and Equipment	Machinery and Equipment	Whole	59	-	-	-
6.7 - Traffic Control	Furniture and Equipment Active Box	Operational Buildings	Municipal Offices	4	-	30	-	-
6.7 - Traffic Control	Surveillance Cameras - Ward 5	Machinery and Equipment	Machinery and Equipment	5	74	-	-	-
6.7 - Traffic Control	Replacement of garage doors Testpit Velddrif	Operational Buildings	Municipal Offices	7	144	-	-	-
6.7 - Traffic Control	Airconditioners	Operational Buildings	Municipal Offices	Whole	59	80	-	-
6.7 - Traffic Control	Fencing Piketberg DLTC	Community Facilities	Testing Stations	3	-	-	300	-
6.7 - Traffic Control	New DLTC - PV	Community Facilities	Testing Stations	2	-	-	-	400
6.7 - Traffic Control	New Traffic Vehicles	Transport Assets	Transport Assets	Whole	359	-	500	-
6.8 - Fire Fighting and Protection	Furniture , Equipment - Fire	Furniture and Office Equipment	Furniture and Office Equipment	Whole	-	15	-	-
6.8 - Fire Fighting and Protection	Replacement of Fire Fighting Pump	Machinery and Equipment	Machinery and Equipment	Whole	-	230	-	-
6.8 - Fire Fighting and Protection	4x4 Fire Fighting Vehicle (grant funded)	Transport Assets	Transport Assets	5	-	926	-	-
6.8 - Fire Fighting and Protection	Fire Fighting Vehicle	Transport Assets	Transport Assets	Whole	234	-	-	1,000
6.9 - Community Parks	Furniture , Equipment - Community Parks	Furniture and Office Equipment	Furniture and Office Equipment	Whole	6	-	-	-
6.9 - Community Parks	Upgrade Community Parks PV	Community Facilities	Public Open Space	2	-	50	-	-
6.9 - Community Parks	Upgrade Community Parks AUR	Community Facilities	Public Open Space	6	-	-	61	-
6.9 - Community Parks	Tools & Equipment	Machinery and Equipment	Machinery and Equipment	Whole	-	45	50	-
6.9 - Community Parks	Upgrading of Community Parks	Community Facilities	Public Open Space	Whole	97	-	-	-
6.9 - Community Parks	Toilets (PV Dam)	Sport and Recreation Facilities	Outdoor Facilities	1	-	-	100	-
6.9 - Community Parks	Public Toilets (PV)	Sport and Recreation Facilities	Outdoor Facilities	Whole	100	-	-	-
6.9 - Community Parks	Benches - open spaces	Community Facilities	Public Open Space	Whole	33	35	50	-
6.9 - Community Parks	4 Ton Tipper (VD , PB)	Transport Assets	Transport Assets	Whole	87	-	-	-
6.9 - Community Parks	Fencing Playpark RH	Community Facilities	Public Open Space	5	-	240	-	-
6.9 - Community Parks	Brush Cutter	Machinery and Equipment	Machinery and Equipment	Whole	34	90	120	-
6.9 - Community Parks	Upgrade Community Parks PB	Community Facilities	Public Open Space	4	-	159	89	-
6.9 - Community Parks	Fencing Playpark PB	Community Facilities	Public Open Space	4	-	-	400	-
6.9 - Community Parks	Truck 1.5 Ton	Transport Assets	Transport Assets	Whole	459	-	-	-
6.9 - Community Parks	Spraying Can	Machinery and Equipment	Machinery and Equipment	Whole	169	190	200	-
6.9 - Community Parks	Ride-on Lawnmowers	Machinery and Equipment	Machinery and Equipment	Whole	156	240	300	-
6.9 - Community Parks	New playpark					150		

7.1 - Sports Grounds and Stadiums	Pitch Covers (PB)	Sport and Recreation Facilities	Outdoor Facilities	4	26	-	-	-
7.1 - Sports Grounds and Stadiums	Irrigation Equipment	Sport and Recreation Facilities	Outdoor Facilities	Whole	7	20	35	-
7.1 - Sports Grounds and Stadiums	Shadeports - Tollie Adams	Operational Buildings	Municipal Offices	4	-	70	-	-
7.1 - Sports Grounds and Stadiums	Tools	Machinery and Equipment	Machinery and Equipment	Whole	48	15	20	20
7.1 - Sports Grounds and Stadiums	Furniture , Equipment - Sport Facilities and Swim	Furniture and Office Equipment	Furniture and Office Equipment	Whole	13	25	50	50
7.1 - Sports Grounds and Stadiums	Irrigation Pumps	Sport and Recreation Facilities	Outdoor Facilities	7	61	-	200	-
7.1 - Sports Grounds and Stadiums	Security Measures	Licences and Rights	Computer Software and Applications	Admin	-	90	100	100
7.1 - Sports Grounds and Stadiums	Upgrade of New Buildings (Goldsmid Sportveld)	Sport and Recreation Facilities	Outdoor Facilities	6	400	-	-	-
7.1 - Sports Grounds and Stadiums	Replace lights at sport fields	Sport and Recreation Facilities	Outdoor Facilities	Whole	496	-	-	-
7.1 - Sports Grounds and Stadiums	Containers cloakrooms at Watsonia	Sport and Recreation Facilities	Outdoor Facilities	4	-	700	-	-
7.1 - Sports Grounds and Stadiums	Mobile Pavilions	Sport and Recreation Facilities	Outdoor Facilities	Whole	126	390	200	200
7.1 - Sports Grounds and Stadiums	Upgrade Playpark			6		190		
7.1 - Sports Grounds and Stadiums	Fencing Watsonia Sportsgrounds	Sport and Recreation Facilities	Outdoor Facilities	4	1,153	-	-	-
7.1 - Sports Grounds and Stadiums	PB Watsonia Pavilion and Related Infrastructure	Sport and Recreation Facilities	Outdoor Facilities	4	-	-	1,130	1,130
7.1 - Sports Grounds and Stadiums	PB Rhino Park Netball Courts (Multi Year)	Sport and Recreation Facilities	Outdoor Facilities	4	-	-	1,304	9,217
7.1 - Sports Grounds and Stadiums	Upgrade B-Field PV	Sport and Recreation Facilities	Outdoor Facilities	2		600		
7.1 - Sports Grounds and Stadiums	Upgrade Sportgrounds	Sport and Recreation Facilities	Outdoor Facilities	4	43			
7.1 - Sports Grounds and Stadiums	Upgrade of Pigeon Clubhouse	Sport and Recreation Facilities	Outdoor Facilities	7		500		
7.2 - Swimming Pools	Replace pumps at swimming pools	Sport and Recreation Facilities	Outdoor Facilities	Whole	52	-	-	-
7.2 - Swimming Pools	Shadeports - Swimmingpool PV	Operational Buildings	Municipal Offices	2	-	65	-	-
7.2 - Swimming Pools	Swimming Pool Renewals	Sport and Recreation Facilities	Outdoor Facilities	Whole	-	1,000	-	-
7.3 - Holiday Resorts	Tools and Equipment	Machinery and Equipment	Machinery and Equipment	Whole	4	15	-	-
7.3 - Holiday Resorts	Tools and Equipment	Machinery and Equipment	Machinery and Equipment	Whole	11	15	60	60
7.3 - Holiday Resorts	Upgrading of Hall into conference room	Sport and Recreation Facilities	Outdoor Facilities	7	-	-	-	500
7.3 - Holiday Resorts	Upgrading of resorts	Sport and Recreation Facilities	Outdoor Facilities	Whole	150	100	200	-
7.3 - Holiday Resorts	Furniture , Equipment - Holiday Resorts	Sport and Recreation Facilities	Indoor Facilities	Whole	181	100	250	-
7.3 - Holiday Resorts	Pelikaan Beach Resort Development	Sport and Recreation Facilities	Outdoor Facilities	Whole	473	620	-	500
4.5 - Solid Waste Removal	Waste Compacter	Transport Assets	Transport Assets	Whole	2,250			
4.8 - Electricity	Redelinghuys Transformer	Electrical Infrastructure	MV Substations	5	300			
<b>Total Capital expenditure</b>					<b>85,001</b>	<b>102,441</b>	<b>73,313</b>	<b>70,669</b>

## **Table 56 MBRR SA37 - Projects delayed from previous financial year**

There are no projects that have been delayed from previous financial years.

### **2.12 Legislation compliance status**

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

#### **1. In-year reporting**

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is done without exception and has progressively improved in quality as well as narrative explanations, the reporting includes monthly published financial performance on the Municipality's website.

#### **2. Internship programme**

The Council's is participating in the Municipal Financial Management Internship programme and is currently in the process of recruiting new interns. Since the introduction of the Internship programme the Council has successfully employed and trained various interns through this programme and the majority of them were appointed either within the municipality or other at Municipalities.

#### **3. Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

#### **4. Audit Committee**

An Audit Committee has been established and is fully functional.

#### **5. Service Delivery and Implementation Plan**

The detailed SDBIP document is at a draft stage and submitted with the revision of the IDP it will be finalised after approval of the 2023/24 MTREF in May 2023 and is directly aligned and informed by the 2023/2024 MTREF.

#### **6. Annual Report**

The Annual report is compiled in terms of the requirements of Section 127 of the MFMA and National Treasury requirements.

#### **7. Policies**

Various policy amendments are proposed as part of the budget process, all policies being revised are to be made available with the budget documentation for public input.

#### **8. Minimum Competency Training**

Minimum competency training is underway and all required staff members are enrolled for the completion of the required training. Our participation in this program is in line with the assessment of current skills pool and capacity building to ensure less reliance on consulting services. The filling of critical vacancies will also require compliance by candidates to the minimum competency requirements.

## **9. Public Input received**

### **INTERNE BEGROTINGSINSETTE:**

#### **BYLAE A:**

Elektries Kapitaal verskuiwing – Jan Erasmus

**AANBEVELING:** Die versoek moet intern hanteer word nadat uitklaring gekry word oor of die item kapitaal of operasioneel van aard is. Daar was intussen bevestig dat meters as 'n kapitaal item hanteer moet word in terme van die toepaslike rekeningkundige standaarde.

#### **BYLAE B:**

IT Lisensiegelde – Lizelle Roos

**AANBEVELING:** Die versoek kan slegs geakkommodeer word indien 'n R 170 000 op die bestaande begroting verminder word. Geen addisionele fondse sal in die begroting beskikbaar gestel word sonder dat 'n ooreenstemmende bedrag verminder word nie.

#### **BYLAE C:**

**PMU Begroting – Rohann Stander**

#### **AANBEVELING:**

##### **WSIG fondse**

Dat die verskuiwing van die fondse vanaf die posnommer gedoen gaan word.

Die addisionele fondse vir die tweede jaar slegs op die begroting geplaas kan word as dit in die DORA verskyn. Daar sal egter verwys word na die goedgekeurde fondse in die begrotingsverslag.

##### **MIG en eksterne fondse**

Verskuiwing sal gedoen word soos versoek.

Voertuig vir bouinspekteur, Velddrif

Versoek is afgekeur.

Professionele dienste

Die fondse kan slegs terug geplaas word indien u op n ander plek op u begroting dit kan afhaal/verminder.

Permanensie vir Mnr. Macwin Adams (beraamde T06 en co-funded deur MIG)

Daar is nie huidiglik so 'n pos op die organogram nie. Die versoek moet na Menslike Hulpbronne verwys word om die proses te volg vir skeep van 'n nuwe pos.

Opleiding vir Boubeheer asook PMU

Hierdie moet deel wees van HR se opleidingsplan en gevolglik deur HR befonds word.

Bespreking van projekte se befondsingsbronne

Neem kennis van versoek.

#### **BYLAE D:**

Kommunikasie se Advertensies – Matthew Sheldon

AANBEVELING: Die versoek kan slegs geakkommodeer word indien u 'n R 45 000 op u bestaande begroting verminder. Geen addisionele fondse sal in die begroting beskikbaar gestel word sonder dat 'n ooreenstemmende bedrag verminder word nie.

**BYLAE E:**

Huur van Velddrif Poskantoor/uitbreiding van bestaande Velddrif kantoor vir addisionele kantoorspasie – Vivian Kotzee

AANBEVELING: Die komitee versoek dat 'n kosteberaming gedoen moet word indien ons die aanbouings by die bestaande kantore in Velddrif doen. Die kostes sal dan met mekaar vergelyk word en 'n besluit sal daarna geneem word. 'n Kapitaal lynitem sal intussen geskep word met 'n R1 000 begroting met die oog op besparing wat na die pos geskuif kan word indien die Velddrif kantoor uitgebrei word. 'n Operasionele pos bestaan reeds vir die huur indien die huur roete gevolg sal word.

**EKSTERNE BEGROTINGSINSETTE:**

**BYLAE F:**

Wheatfields Piketberg  
Phillip Gerber

AANBEVELING: Die versoek kon ongelukkig nie in die begroting akkommodeer word nie.

**BYLAE G & H:**

Reginald Carolus – Velddrif

AANBEVELING:

1.1 Verhoging van 20% vullis:

Ons neem kennis van u voorstel van die herwinning en in die verband sal 'n program om herwinning aan te moedig en te bevorder gedurende 2023/24 uitgerol word.

1.2 Elektrisiteitsverhogings:

Die munisipaliteit is onderhewig aan NERSA se riglyne en goedkeuring. Die voorgestelde tarief het verminder na 15.1%.

2. Toilette by Noordhoek:

Die program wat die Departement ongeveer 15 jaar gelede gehad het om die buite toilette aan die huise te bou se fonds bestaan ongelukkig nie meer nie. Ons het ongeveer 5 jaar gelede die versoek gerig, selfs opnames gemaak van die buite toilette, maar ongelukkig was dit afgekeur.

3. Skip Bins

Dit sal deel wees van die herwinningsprojek.

4. Publieke Veiligheid:

Voorsiening is in die nuwe begroting gemaak.

**BYLAE I:**

Crime Watch Porterville

Scheldon Gerstner

AANBEVELING: Bergrivier Munisipaliteit kan nie voldoen aan die projek nie, ons is reeds besig met uitbreiding van eie infrastruktuur. Daar is voorsiening in die 2023/24 begroting vir addisionele kameras in Porterville gemaak.

**BYLAE J:**

Lemoenkloof HEV  
J Jonas

AANBEVELING: Die versoek kon ongelukkig nie in die begroting akkommodeer word nie.

**BYLAE K:**

Bob Fordyce Velddrif

**AANBEVELING:**

Bergrivier Municipality consists of various towns all of which pay the same tariffs for rates and service charges. It is inevitable that there will always be cross subsidization because of inequality. The Bergrivier Municipality also would want to make it abundantly clear that we do not prepare separate income and expenditure budgets for different towns and only certain expenditure items can be linked to a specific ward. It should also be noted that indirect expenditure and administrative overheads are being provided for and which is allocated to the whole of Bergrivier Municipality.

Salaries and wages as a percentage of total operating expenditure are within the norm prescribed by the National Treasury (between 25% and 40%). The current staff complement is inadequate to address the service delivery challenges faced by the Municipality. In addition, the Municipality does not have control over the determination of salaries and wages and the annual increases in respect of employee related costs. With regards to the organogram, we would like to encourage all our residents to utilize the Municipality's complaint system so that all complaints could be tracked and responded to. The acquisition of furniture, office and IT equipment is based on a needs assessment informed by the lifespan of the IT equipment and new appointments. The valuation of properties is being performed in accordance with the Municipal Property Rates Act, and all property owners were afforded the opportunity to object and appeal against the property value as recorded on the valuation roll. There is no difference in the manner in which property rates are calculated for the different towns/areas. Property rates are calculated by using the valuation less reductions multiplied by the tariff (cents in the rand) for all properties. There are various rebates granted to different categories of properties in accordance with the Municipality's approved Rates Policy.

**BYLAE L:**

William Ficks – Porterville

**AANBEVELING:**

1. Die behuisingsbehoefte is reeds in die GOP vervat.
2. Die beleid rondom die meentgrond gaan hersien word.

**BYLAE M:**

People's Rural Organisation

Leeroy Joseph

**AANBEVELING:**



1. RUGBYVELD OMHEINING PELLA PARK

Die omheining word stelselmatig herstel.

2. PLAVEISEL VAN SYPAADJIES

Dit word gedoen soos fondse beskikbaar is.

3. ONTWIKKELING VAN DIE B-VELD IN WYK 2

In proses en onderhewig aan beskikbaarheid van fondse.

4. OPGRADERING VAN VOORTREKKERSTRAAT

Dit is 'n Nasionale pad, ons kry slegs minimale geld vir die instandhouding van die pad.

5. MEENTGROND IN PORTERVILLE

'n Voorlegging moet aan die munisipaliteit gedoen word.

**BYLAE N:**

Initiative for Community Advancement

Lauren Philander

AANBEVELING: Ons verwys die versoeke om in die GOP opgeneem te word waar moontlik. Die GOP hersieningsproses word gedurende September begin. Baie van die insette is op ander sferes van regering van toepassing.

**BYLAE O:**

Publieke Vergaderings Kommentaar Opsomming

Alletta van Sittert

AANBEVELING: Die Begrotingsloodskomitee neem kennis van insette, en sal verwys word na die GOP Bestuurder waar nodig.

**BYLAE P:**

SIME Engagement 2023

AANBEVELING: Die Begrotingsloodskomitee neem kennis van die SIME verslag.

## 2.13 Other supporting documents

### Table 57 MBRR SA1 - Supporting detail to budgeted financial performance

WC013 Bergrivier - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<u>Non-exchange revenue by source</u>											
<u>Property rates</u>											
Total Property Rates	6	77,010	82,344	88,950	100,491	99,391	99,391	99,391	110,282	118,002	125,058
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		2,970	3,533	4,540	5,789	4,689	4,689	4,689	5,848	6,257	6,630
Net Property Rates		74,040	78,811	84,411	94,702	94,702	94,702	94,702	104,434	111,744	118,428
<u>Exchange revenue service charges</u>											
<u>Service charges - Electricity</u>											
Total Service charges - Electricity	6	117,786	126,353	146,046	162,280	150,655	150,655	150,655	170,121	187,777	204,508
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>											
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		739	1,235	1,401	1,712	1,462	1,462	1,462	1,915	2,011	2,051
Net Service charges - Electricity		117,047	125,118	144,645	160,568	149,193	149,193	149,193	168,206	185,766	202,457
<u>Service charges - Water</u>											
Total Service charges - Water	6	30,864	34,257	38,232	39,521	41,190	41,190	41,190	43,682	47,049	50,457
<i>Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>Less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		2,112	2,277	2,211	2,714	2,464	2,464	2,464	2,850	3,049	3,262
Net Service charges - Water		28,752	31,980	36,020	36,807	38,726	38,726	38,726	40,832	44,000	47,195
<u>Service charges - Waste Water Management</u>											
Total Service charges - Waste Water Management		16,769	18,121	19,440	21,682	21,832	21,832	21,832	23,401	25,381	27,622
<i>Less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											
<i>Less Cost of Free Basis Services (free sanitation service to indigent households)</i>		3,371	3,626	3,574	3,920	3,920	3,920	3,920	4,194	4,488	4,811
Net Service charges - Waste Water Management		13,398	14,494	15,866	17,762	17,912	17,912	17,912	19,207	20,893	22,811
<u>Service charges - Waste Management</u>											
Total refuse removal revenue	6	27,278	29,512	31,911	39,313	39,311	39,311	39,311	47,699	55,471	60,469
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
<i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i>		-	-	-	-	-	-	-	-	-	-
<i>Less Cost of Free Basis Services (removed once a week to indigent households)</i>		5,040	5,378	5,261	6,746	6,746	6,746	6,746	8,095	9,309	9,973
Net Service charges - Waste Management		22,238	24,134	26,650	32,567	32,565	32,565	32,565	39,604	46,162	50,496
<b>EXPENDITURE ITEMS:</b>											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	89,366	93,211	101,560	115,658	110,515	110,515	110,515	126,135	129,854	137,668
Pension and UIF Contributions		13,862	14,613	15,780	18,269	17,426	17,426	17,426	20,014	21,215	22,488
Medical Aid Contributions		5,602	6,069	6,331	7,801	7,391	7,391	7,391	7,927	8,402	8,906
Overtime		5,251	5,299	6,413	4,783	6,651	6,651	6,651	6,629	7,026	7,448
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		4,882	5,318	5,731	6,952	4,157	4,157	4,157	6,874	7,286	7,723
Cellphone Allowance		48	47	56	24	55	55	55	65	69	73
Housing Allowances		735	878	704	889	792	792	792	1,059	1,122	1,190
Other benefits and allowances		4,846	4,896	5,702	6,598	7,368	7,368	7,368	7,611	8,069	8,554
Payments in lieu of leave		2,299	1,221	238	1,968	1,968	1,968	1,968	2,086	2,211	2,344
Long service awards		560	525	581	636	605	605	605	673	720	763
Post-retirement benefit obligations	4	1,559	1,341	1,690	1,860	1,652	1,652	1,652	1,847	1,976	2,095
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		361	406	405	431	482	482	482	455	482	511
Acting and post related allowance		551	670	843	1,020	1,281	1,281	1,281	1,021	1,083	1,148
In kind benefits		-	-	-	-	-	-	-	-	-	-
<i>sub-total</i>	5	129,923	134,495	146,035	166,890	160,343	160,343	160,343	182,396	189,516	200,911
<i>Less: Employees costs capitalised to PPE</i>											
Total Employee related costs	1	129,923	134,495	146,035	166,890	160,343	160,343	160,343	182,396	189,516	200,911

<b>Depreciation and amortisation</b>										
Depreciation of Property, Plant & Equipment	19,083	21,865	27,625	28,668	30,270	30,270	30,270	32,656	34,096	34,480
Lease amortisation	-	-	-	-	-	-	-	-	-	-
Capital asset impairment	-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation and amortisation</b>	<b>19,083</b>	<b>21,865</b>	<b>27,625</b>	<b>28,668</b>	<b>30,270</b>	<b>30,270</b>	<b>30,270</b>	<b>32,656</b>	<b>34,096</b>	<b>34,480</b>
<b>Bulk purchases - electricity</b>										
Electricity bulk purchases	92,751	100,415	118,995	128,498	122,498	122,498	122,498	129,216	145,626	161,354
<b>Total bulk purchases</b>	<b>92,751</b>	<b>100,415</b>	<b>118,995</b>	<b>128,498</b>	<b>122,498</b>	<b>122,498</b>	<b>122,498</b>	<b>129,216</b>	<b>145,626</b>	<b>161,354</b>
<b>Transfers and grants</b>										
Cash transfers and grants	6,093	5,867	6,736	7,797	8,536	8,536	8,536	9,701	8,683	9,093
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	<b>6,093</b>	<b>5,867</b>	<b>6,736</b>	<b>7,797</b>	<b>8,536</b>	<b>8,536</b>	<b>8,536</b>	<b>9,701</b>	<b>8,683</b>	<b>9,093</b>
<b>Contracted services</b>										
Accounting and Auditing	1,927	2,335	3,083	3,005	4,029	4,029	4,029	2,047	3,131	3,279
Administrative and Support Staff	-	-	-	400	-	-	-	250	230	241
Alien Vegetation Control	-	-	350	80	-	-	-	100	800	838
Architectural	90	-	16	57	-	-	-	260	350	367
Audio-visual Services	3	-	-	22	14	14	14	23	24	25
Audit Committee	253	75	64	182	124	124	124	208	212	222
Building	3,863	4,865	-	-	-	-	-	-	-	-
Burial Services	31	50	108	80	83	83	83	84	88	92
Business and Financial Management	62	56	124	209	209	209	209	218	228	239
Catering Services	156	110	203	193	242	242	242	217	285	297
Cleaning Services	-	-	5	1	1	1	1	101	101	106
Clearing and Grass Cutting Services	79	268	348	413	313	313	313	491	530	554
Collection	16	(138)	81	150	162	162	162	200	164	172
Commissions and Committees	21	23	28	94	43	43	43	100	105	110
Communication	660	613	682	1,106	726	726	726	1,155	281	294
Drivers Licence Cards	245	319	342	332	315	315	315	347	363	380
Ecological	158	135	59	425	289	289	289	411	500	524
Electrical	-	-	-	-	-	-	-	990	-	-
Engineering	100	448	687	1,782	510	510	510	10,790	7,976	74,558
Event Promoters	315	6	27	32	33	33	33	519	94	98
Fire Protection	16	54	27	167	78	78	78	203	222	233
Geoinformatic Services	-	-	-	-	350	350	350	29	160	168
Graphic Designers	2	1	4	6	6	6	6	6	6	6
Housing	-	-	-	-	-	-	-	-	-	-
Human Resources	147	102	461	629	372	372	372	135	141	148
Hygiene Services	-	39	2	47	45	45	45	49	51	53
Inspection Fees	-	15	5	35	18	18	18	37	39	41
Internal Audit	107	-	-	-	-	-	-	-	-	-
Interior Décor	-	-	-	-	-	-	-	90	-	-
Issue of Summons	-	-	-	2	1	1	1	2	2	2
Laboratory Services	373	402	368	595	440	440	440	621	648	679
Land and Quantity Surveyors	363	787	380	-	11	11	11	21	1	1
Landscaping	-	-	-	400	79	79	79	200	437	458
Legal Advice and Litigation	251	513	374	738	662	662	662	1,155	1,086	1,137
Litter Picking and Street Cleaning	-	-	-	100	95	95	95	254	259	271
Maintenance of Buildings and Facilities	304	131	1,013	290	886	886	886	781	1,013	1,049
Maintenance of Equipment	3,020	3,846	4,983	4,684	4,942	4,942	4,942	5,092	5,337	5,586
Maintenance of Unspecified Assets	-	-	5	-	8	8	8	5	-	-
Management of Informal Settlements	-	-	-	-	-	-	-	-	-	-
Medical Examinations	15	12	14	30	24	24	24	32	36	38
Monitoring Of Alarm System	-	-	-	-	-	-	-	-	-	-
Occupational Health and Safety	84	1	-	15	9	9	9	16	17	18
Organisational	1,051	1,035	1,585	1,836	2,086	2,086	2,086	3,358	1,694	1,774
Pest Control and Fumigation	24	20	20	122	48	48	48	143	159	166
Photographer	-	18	4	4	-	-	-	6	4	4
Plants, Flowers and Other Decorations	25	93	101	85	52	52	52	88	91	95
Prepaid Electricity Vendors	497	-	289	376	357	357	357	393	411	430
Printing Services	-	142	-	270	286	286	286	300	295	309
Project Management	9	51	1,705	2,000	1,995	1,995	1,995	600	-	-
Qualification Verification	-	1	-	2	2	2	2	50	50	52
Refuse Removal	4,264	4,882	10,472	12,500	11,500	11,500	11,500	8,500	12,955	13,564
Removal of Hazardous Waste	-	-	-	-	-	-	-	-	-	-
Removal of Structures and Illegal Signs	-	-	16	-	-	-	-	200	-	-
Research and Advisory	352	855	780	350	289	289	289	316	373	391
Researcher	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-
Safeguard and Security	36	214	530	458	524	524	524	531	564	590
Security Services	532	541	1,252	1,087	1,467	1,467	1,467	1,600	1,256	1,316
Sports and Recreation	26	163	-	40	13	13	13	-	-	-
Town Planner	-	-	-	20	-	-	-	830	-	-
Traffic Fines Management	1,054	1,279	2,114	1,462	2,410	2,410	2,410	1,976	1,595	1,670
Valuer and Assessors	118	102	120	1,472	1,126	1,126	1,126	330	316	330
Veterinary Services	62	62	64	63	60	60	60	66	69	72
<b>Total contracted services</b>	<b>20,712</b>	<b>24,525</b>	<b>32,895</b>	<b>38,447</b>	<b>37,335</b>	<b>37,335</b>	<b>37,335</b>	<b>46,526</b>	<b>44,749</b>	<b>118,944</b>

Operational Costs											
Advertising, Publicity and Marketing	917	1,036	1,179	1,170	1,646	1,646	1,646	1,622	1,366	1,430	
Assets less than the Capitalisation Threshold	529	368	884	662	694	694	694	669	1,082	1,126	
Bank Charges, Facility and Card Fees	669	773	802	840	898	898	898	1,050	916	959	
Bursaries (Employees)	65	73	230	250	237	237	237	261	273	286	
Commission	2,456	1,977	2,087	2,501	2,176	2,176	2,176	2,611	2,728	2,856	
Communication	2,488	2,750	2,848	3,242	3,339	3,339	3,339	3,578	3,757	3,932	
Courier and Delivery Services	-	-	-	-	-	-	-	-	-	-	
Deeds	10	12	9	15	14	14	14	16	17	18	
Entertainment	32	19	51	54	67	67	67	84	57	59	
External Audit Fees	2,823	3,192	3,127	3,300	3,387	3,387	3,387	3,600	3,600	3,769	
External Computer Service	750	2,290	1,255	1,498	2,131	2,131	2,131	1,737	2,935	3,073	
Full Time Union Representative	118	121	128	127	121	121	121	133	139	146	
Hire Charges	263	339	443	662	1,032	1,032	1,032	1,034	1,203	1,259	
Insurance Underwriting	1,440	1,828	2,556	3,296	3,066	3,066	3,066	3,439	3,581	3,742	
Land Alienation Costs	-	-	-	5	5	5	5	5	5	5	
Leaverships and Internships	759	257	192	208	198	198	198	350	450	471	
Leases	201	210	325	286	286	286	286	299	313	328	
Licences	271	281	327	358	340	340	340	400	447	466	
Printing, Publications and Books	499	347	590	429	476	476	476	428	470	490	
Professional Bodies, Membership and Subscription	1,237	1,365	1,431	1,559	1,643	1,643	1,643	1,705	2,400	2,510	
Registration Fees	171	193	184	160	386	386	386	199	217	223	
Rehabilitation of Landfill Sites	-	167	-	2,000	1,900	1,900	1,900	2,088	2,182	2,285	
Rehabilitation of Landfill Sites (movement in provision)	-	-	-	(2,000)	(2,000)	(2,000)	(2,000)	(2,088)	(2,182)	(2,285)	
Remuneration to Ward Committees	217	163	146	210	159	159	159	250	378	396	
Resettlement Cost	121	-	40	73	162	162	162	76	79	83	
Municipal Services	1,634	1,862	2,239	9,322	9,187	9,187	9,187	9,700	10,360	11,004	
Servitudes and Land Surveys	16	40	26	200	190	190	190	50	50	52	
Signage	218	193	250	294	347	347	347	401	328	341	
Skills Development Fund Levy	871	921	1,185	1,207	1,278	1,278	1,278	1,259	1,316	1,378	
Travel Agency and Visa's	42	-	0	31	23	23	23	29	33	34	
Travel and Subsistence	1,194	365	766	915	1,561	1,561	1,561	1,525	1,261	1,305	
Uniform and Protective Clothing	447	596	1,076	1,155	1,340	1,340	1,340	994	1,294	1,351	
Vehicle Tracking	201	167	233	274	288	288	288	304	307	320	
Wet Fuel	-	-	5,757	5,042	7,628	7,628	7,628	7,173	7,599	7,956	
Workmen's Compensation Fund	1,025	624	630	942	820	820	820	850	1,027	1,075	
<b>Total Operational Costs</b>	<b>1</b>	<b>21,685</b>	<b>22,530</b>	<b>30,995</b>	<b>40,287</b>	<b>45,025</b>	<b>45,025</b>	<b>45,025</b>	<b>45,832</b>	<b>49,989</b>	<b>52,443</b>

Repairs and Maintenance by Expenditure Item											
Employee related costs	8	13,483	11,675	12,055	14,819	13,550	13,550	13,550	16,152	17,121	18,148
Inventory Consumed		4,618	4,210	4,690	4,486	5,670	5,670	5,670	6,819	8,682	9,085
Contracted Services		3,483	4,607	6,787	6,245	7,011	7,011	7,011	7,522	7,878	8,235
Operational Costs		876	1,781	2,185	2,935	3,564	3,564	3,564	3,260	3,546	3,702
<b>Total Repairs and Maintenance Expenditure</b>	<b>9</b>	<b>22,461</b>	<b>22,274</b>	<b>25,716</b>	<b>28,485</b>	<b>29,795</b>	<b>29,795</b>	<b>29,795</b>	<b>33,753</b>	<b>37,227</b>	<b>39,170</b>

Inventory Consumed											
Inventory Consumed - Water		4,067	4,713	6,100	7,000	9,400	9,400	9,400	8,000	8,200	8,585
Inventory Consumed - Other		13,910	13,025	9,261	10,780	13,747	13,747	13,747	15,235	16,232	16,980
<b>Total Inventory Consumed &amp; Other Material</b>		<b>17,977</b>	<b>17,738</b>	<b>15,362</b>	<b>17,780</b>	<b>23,147</b>	<b>23,147</b>	<b>23,147</b>	<b>23,235</b>	<b>24,432</b>	<b>25,565</b>

**Table 58 MBRR SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

**WC013 Bergvriervier - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Municipal Manager	Vote 2 - Finance	Vote 3 - Corporate Services	Vote 4 - Technical Services	Vote 5 - Technical Services (Continued)	Vote 6 - Community Services	Vote 7 - Community Services (Continued)	Total
R thousand	1	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity		-	-	-	168,206	-	-	-	168,206
Service charges - Water		-	-	-	-	40,832	-	-	40,832
Service charges - Waste Water Management		-	-	-	-	19,207	-	-	19,207
Service charges - Waste Management		-	-	-	39,604	-	-	-	39,604
Sale of Goods and Rendering of Services		-	603	178	2,005	25	752	5,388	8,951
Agency services		-	-	-	-	-	4,925	-	4,925
Interest		-	-	-	-	-	-	-	-
Interest earned from Receivables		-	6,200	-	-	-	-	-	6,200
Interest earned from Current and Non Current Assets		-	11,533	-	-	-	-	-	11,533
Dividends		-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-
Rental from Fixed Assets		50	-	-	1,369	-	234	16	1,669
Licences and permits		-	-	64	-	-	18	-	82
Operational Revenue		10	258	212	572	827	71	7	1,957
<b>Non-Exchange Revenue</b>									
Property rates		-	104,434	-	-	-	-	-	104,434
Surcharges and Taxes		-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	800	-	100	6	23,438	-	24,344
Licences or permits		-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		63,544	2,490	-	6,880	1,304	18,212	-	92,430
Interest		-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	500	-	-	-	500
Other Gains		-	-	2,800	-	-	-	-	2,800
Discontinued Operations		-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>63,604</b>	<b>126,318</b>	<b>3,254</b>	<b>219,236</b>	<b>62,202</b>	<b>47,650</b>	<b>5,411</b>	<b>527,674</b>
<b>Expenditure</b>									
Employee related costs		8,819	25,010	22,761	64,608	12,556	41,249	7,393	182,396
Remuneration of councillors		7,273	-	-	-	-	-	-	7,273
Bulk purchases - electricity		-	-	-	129,216	-	-	-	129,216
Inventory consumed		2,046	243	468	7,427	10,994	1,237	820	23,235
Debt impairment		-	4,555	-	7,171	3,690	18,792	-	34,208
Depreciation and amortisation		113	223	1,521	20,540	7,139	2,153	967	32,656
Interest		-	174	5,866	16,895	3,150	404	38	26,527
Contracted services		1,734	5,819	2,952	14,615	3,203	16,096	2,107	46,526
Transfers and subsidies		9,701	-	-	-	-	-	-	9,701
Irrecoverable debts written off		-	-	-	-	-	-	-	-
Operational costs		7,033	7,474	5,559	12,380	7,174	4,228	1,985	45,832
Losses on disposal of Assets		-	-	-	-	-	-	-	-
Other Losses		-	-	2,800	-	5	-	-	2,805
<b>Total Expenditure</b>		<b>36,719</b>	<b>43,497</b>	<b>41,927</b>	<b>272,852</b>	<b>47,911</b>	<b>84,159</b>	<b>13,310</b>	<b>540,375</b>
<b>Surplus/(Deficit)</b>		<b>26,885</b>	<b>82,820</b>	<b>(38,673)</b>	<b>(53,617)</b>	<b>14,291</b>	<b>(36,509)</b>	<b>(7,899)</b>	<b>(12,701)</b>
Transfers and subsidies - capital (monetary allocations)		1,100	-	-	13,906	8,696	26,169	-	49,871
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>27,985</b>	<b>82,820</b>	<b>(38,673)</b>	<b>(39,711)</b>	<b>22,986</b>	<b>(10,340)</b>	<b>(7,899)</b>	<b>37,169</b>



**Table 60 MBRR SA9 – Social, economic and demographic statistics and assumptions**

WC013 Bergrivier - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population					67	67	72	74			
Females aged 5 - 14					5	5	5	5			
Males aged 5 - 14					5	5	5	5			
Females aged 15 - 34					11	11	11	11			
Males aged 15 - 34					11	11	11	11			
Unemployment					2	2	2	2			
<b>Monthly household income (no. of households)</b>											
No income	1, 12				1,793	1,793	1,793	1,793	1,793	1,793	1,793
R1 - R1 600					286	286	286	286	286	286	286
R1 601 - R3 200											
R3 201 - R6 400											
R6 401 - R12 800					362	362	362	362	362	362	362
R12 801 - R25 600					2,613	2,613	2,613	2,613	2,613	2,613	2,613
R25 601 - R51 200					4,272	4,272	4,272	4,272	4,272	4,272	4,272
R52 201 - R102 400					4,158	4,158	4,158	4,158	4,158	4,158	4,158
R102 401 - R204 800					2,670	2,670	2,670	2,670	2,670	2,670	2,670
R204 801 - R409 600					1,736	1,736	1,736	1,736	1,736	1,736	1,736
R409 601 - R819 200					858	858	858	858	858	858	858
> R819 200					305	305	305	305	305	305	305
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month	13				1716.48	1716.48	1992.00	1992.00			
Insert description	2										
<b>Household/demographics (000)</b>											
Number of people in municipal area					67	67	72	74			
Number of poor people in municipal area					6	6	6	6			
Number of households in municipal area					19	19	19	18			
Number of poor households in municipal area					2	2	2	2			
Definition of poor household (R per month)											
<b>Housing statistics</b>											
Formal	3				10,737	10,737	10,737	10,737	10,737	10,737	10,737
Informal					29	29	29	29	29	29	29
<b>Total number of households</b>		-	-	-	10,766	10,766	10,766	10,766	10,766	10,766	10,766
Dwellings provided by municipality	4										
Dwellings provided by province/s											
Dwellings provided by private sector	5										
<b>Total new housing dwellings</b>		-	-	-	-	-	-	-	-	-	-
<b>Economic</b>											
Inflation/inflation outlook (CPIX)	6						4.1%		5.3%	4.9%	4.7%
Interest rate - borrowing									11.0%	11.0%	11.0%
Interest rate - investment							7.0%		7.0%	7.0%	7.0%
Remuneration increases							2.3%	4.9%	5.4%	4.8%	4.8%
Consumption growth (electricity)									0.0%	0.0%	0.0%
Consumption growth (water)							1.5%		1.5%	1.5%	1.5%
<b>Collection rates</b>											
Property tax/service charges	7					96.0%	93.5%	93.5%	93.5%	93.5%	93.5%
Rental of facilities & equipment						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - external investments						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors						96.0%	96.0%	96.0%	96.0%	96.0%	96.0%
Revenue from agency services						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Table 61 MBRR SA11 Property rates summary**

**WC013 Bergrivier - Supporting Table SA11 Property rates summary**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Valuation:</b>	1									
Date of valuation:			2017-07-01	2017-07-01	2017-07-01	2017-07-01	2017-07-01	2022-07-01	2022-07-01	2022-07-01
Financial year valuation used			2018-07-01	2018-07-01	2018/07/01	2018/07/01	2018/07/01	2023-07-01	2023-07-01	2023-07-01
Municipal by-laws s6 in place? (Y/N)	2		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal/assistant valuer appointed? (Y/N)			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal partnership s38 used? (Y/N)			No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Implementation time of new valuation roll (mths)										
No. of properties	5		13,629	13,700	14,663	14,663	14,663	14,200	14,200	14,200
No. of sectional title values	5		282	282	282	282	282	282	282	282
No. of unreasonably difficult properties s7(2)			20	20	20	20	20	20	20	20
No. of supplementary valuations			3	3	2	2	2	2	2	2
No. of valuation roll amendments										
No. of objections by rate payers			10	10	10	10	10	250	10	10
No. of appeals by rate payers										
No. of successful objections	8		5	5	5	5	5	150	5	5
No. of successful objections > 10%	8		2	2	2	2	2	100	2	2
Supplementary valuation			60 000 000 +/-		70 000 000 +/-	70 000 000 +/-	70 000 000 +/-	80 000 000 +/-	90 000 000 +/-	100 000 000 +/-
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)			106		106	106	106	150	150	150
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Differential rates used? (Y/N)	5		No	No	No	No	No	No	No	No
Limit on annual rate increase (s20)? (Y/N)			No	No	No	No	No	No	No	No
Special rating area used? (Y/N)			No	No	No	No	No	No	No	No
Phasing-in properties s21 (number)			0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
<b>Total rebates, exemptns, reductns, discs (R'000)</b>			-	-	-	-	-	-	-	-



**Table 62 MBRR SA12a Property rates by category (current year)**

WC013 Bergrivier - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Current Year 2022/23</b>												
<b>Valuation:</b>												
No. of properties		11,051	125	404	1,375	184	555	67				
No. of sectional title property values		264		1	2							
No. of unreasonably difficult properties s7(2)		20										
No. of supplementary valuations		2										
Supplementary valuation (Rm)		80,000,000										
No. of valuation roll amendments												
No. of objections by rate-payers												
No. of appeals by rate-payers												
No. of appeals by rate-payers finalised												
No. of successful objections	5											
No. of successful objections > 10%	5											
Estimated no. of properties not valued		1										
Years since last valuation (select)		5										
Frequency of valuation (select)		Market										
Method of valuation used (select)		Land & Impr.										
Base of valuation (select)		0										
Phasing-in properties s21 (number)		0										
Combination of rating types used? (Y/N)		0										
Flat rate used? (Y/N)		0										
Is balance rated by uniform rate/variable rate?												
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)												
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)	2											
<b>Total valuation reductions:</b>												
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
<b>Rating:</b>												
Average rate	3	0.01249	0.01249	0.01249	0.01135	0.00238	0.01135					
Rate revenue budget (R'000)		10,226,000	3,691,000	-	69,377,000	15,022,000	15,000					
Rate revenue expected to collect (R'000)												
Expected cash collection rate (%)	4											
Special rating areas (R'000)												
Rebates, exemptions - indigent (R'000)												
Rebates, exemptions - pensioners (R'000)		8,770										
Rebates, exemptions - bona fide farm. (R'000)												
Rebates, exemptions - other (R'000)		4,150										
Phase-in reductions/discounts (R'000)												
<b>Total rebates, exemptns, reductns, discs (R'000)</b>												

**Table 63 MBRR SA12b Property rates by category (budget year)**

WC013 Bergrivier - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Budget Year 2023/24</b>												
<b>Valuation:</b>												
No. of properties		1,157	124	4	10,967	1,463	4	72	119			
No. of sectional title property values		1	-	-	286							
No. of unreasonably difficult properties s7(2)		20										
No. of supplementary valuations		2										
Supplementary valuation (Rm)		80,000,000										
No. of valuation roll amendments												
No. of objections by rate-payers												
No. of appeals by rate-payers												
No. of appeals by rate-payers finalised												
No. of successful objections	5											
No. of successful objections > 10%	5											
Estimated no. of properties not valued		1										
Years since last valuation (select)		5										
Frequency of valuation (select)		Market										
Method of valuation used (select)		Land & Impr.										
Base of valuation (select)		0										
Phasing-in properties s21 (number)		0										
Combination of rating types used? (Y/N)		0										
Flat rate used? (Y/N)		0										
Is balance rated by uniform rate/variable rate?												
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)												
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)	2											
<b>Total valuation reductions:</b>												
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
<b>Rating:</b>												
Average rate	3	0.01135	0.01249	0.00987	0.00897	0.00206	0.00987					
Rate revenue budget (R'000)		15,577,536	3,784,883		78,529,175	14,448,985						
Rate revenue expected to collect (R'000)												
Expected cash collection rate (%)	4											
Special rating areas (R'000)												
Rebates, exemptions - indigent (R'000)												
Rebates, exemptions - pensioners (R'000)		2,044										
Rebates, exemptions - bona fide farm. (R'000)												
Rebates, exemptions - other (R'000)		3,588										
Phase-in reductions/discounts (R'000)												
<b>Total rebates, exemptns, reductns, discs (R'000)</b>												

**Table 64 MBRR SA13a Service Tariffs by category**

**WC013 Bergrivier - Supporting Table SA13a Service Tariffs by category**

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Property rates</b> (rate in the Rand)	1								
Residential properties			0.0094	0.0100	0.0105	0.0114	0.00897	0.00960	0.01027
Farm properties - used			0.0019	0.0020	0.0021	0.0024	0.00206	0.0022	0.0024
Farm properties - not used									
Industrial properties			0.0104	0.0110	0.0115	0.0125	0.00987	0.0106	0.0113
Business and commercial properties			0.0104	0.0110	0.0115	0.0125	0.00987	0.0106	0.0113
<b>Exemptions, reductions and rebates</b> (Rands)									
<b>Residential properties</b>									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
Pensioners/social grants rebate or exemption			60%	60%	60%	60%	60%	60%	60%
Temporary relief rebate or exemption			0%	0%	0%	0%	0%	0%	0%
Bona fide farmers rebate or exemption			85%	85%	85%	79%	77%	76%	75%
<b>Other rebates or exemptions</b>	2								
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/fixed fee (Rands/month)			49.44	51.71	57.08	62.12	66.47	71.12	76.10
Service point - vacant land (Rands/month)						78.38	83.86	89.73	96.00
Water usage - flat rate tariff (c/kl)									
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/fixed fee (Rands/month)						180.88	193.54	207.09	222.00
Service point - vacant land (Rands/month)						145.60	155.80	166.70	178.33
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge									
Basic charge/fixed fee						278.02	333.62	383.67	411.00

**Table 65 MBRR SA21 Transfers and grants made by the municipality**

**WC013 Bergervier - Supporting Table SA21 Transfers and grants made by the municipality**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash Transfers to Organisations</b>											
<i>Verlorenlei Art Festival</i>		5	-	-	-	-	-	-	5	-	-
<i>POMA</i>		1,442	700	1,457	1,518	1,518	1,518	1,518	1,660	1,733	1,814
<i>Toerisme: Organisasie BR</i>		2,350	1,920	2,203	2,344	2,371	2,371	2,371	2,569	2,677	2,803
<i>Museums: PB &amp; PV</i>		513	588	558	550	580	580	580	710	628	658
<i>Museums: VD</i>		27	29	27	28	28	28	28	30	31	32
<i>Sportrade: PB</i>		-	-	-	-	-	-	-	-	-	-
<i>Sportrade: PV</i>		-	-	-	-	-	-	-	-	-	-
<i>Sportrade: VD</i>		-	-	-	-	-	-	-	-	-	-
<i>Sportforum</i>		343	300	400	315	409	409	409	405	360	377
<i>Boland Rugby</i>		-	-	-	150	200	200	200	100	172	180
<i>SPCA</i>		82	235	200	208	208	208	208	227	237	248
<i>St Helena Bay Water Quality Trust</i>		43	48	49	51	51	51	51	56	57	60
<i>Veldrif Animal Welfare</i>		109	54	31	32	32	32	32	36	35	37
<i>Piketberg Animal Welfare</i>		30	8	-	-	-	-	-	-	-	-
<i>Bergervier Canoe Marathon</i>		60	-	60	63	63	63	63	67	72	75
<i>FLOW</i>		-	-	-	-	-	-	-	-	-	-
<i>Estuary Rangers</i>		542	450	567	800	800	800	800	676	700	733
<i>Bursaries (non-employees)</i>		191	244	288	313	313	313	313	343	356	375
<i>Boland Cricket</i>		-	-	50	-	-	-	-	100	-	-
<i>Redelinghuys Neighbourhood Watch</i>		-	500	250	250	250	250	250	-	285	298
<i>Sport Trust</i>		-	151	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Organisations</b>		<b>5,738</b>	<b>5,226</b>	<b>6,140</b>	<b>6,622</b>	<b>6,823</b>	<b>6,823</b>	<b>6,823</b>	<b>6,984</b>	<b>7,345</b>	<b>7,690</b>
<b>Cash Transfers to Groups of Individuals</b>											
<i>External Bursaries</i>		355	206	307	-	489	489	489	-	-	-
<i>Social Relief - Covid 19 Feeding of Homeless</i>		-	362	162	100	95	95	95	104	109	114
<i>Social Relief - Indigent Dwelling Restoration</i>		-	72	127	200	179	179	179	219	228	239
<i>Ward Committee Projects</i>		-	-	-	875	951	951	951	959	1,001	1,050
<i>Social Projects (Slap En Trap)</i>		-	-	-	-	-	-	-	30	-	-
<i>Social Projects (Virtual Talent Competition)</i>		-	-	-	-	-	-	-	85	-	-
<i>Social Projects (Bergervier Sports Tournament)</i>		-	-	-	-	-	-	-	100	-	-
<i>Social Projects (Bergervier Golden Games)</i>		-	-	-	-	-	-	-	80	-	-
<i>Social Projects (Praise And Worship)</i>		-	-	-	-	-	-	-	100	-	-
<i>Social Projects (Light Festivals)</i>		-	-	-	-	-	-	-	200	-	-
<i>Social Projects (Christmas Meals For Less Fortunate)</i>		-	-	-	-	-	-	-	185	-	-
<i>Social Projects (Year End)</i>		-	-	-	-	-	-	-	20	-	-
<i>Social Projects (Christmas Toys For Less Fortunate Children)</i>		-	-	-	-	-	-	-	30	-	-
<i>Social Projects (Party Packets For The Children Of Bergervier)</i>		-	-	-	-	-	-	-	45	-	-
<i>Social Projects (Stationery For The Less Fortunate Children Of Bergervier)</i>		-	-	-	-	-	-	-	30	-	-
<i>Social Projects (Stationery Packs For The Grade 1 Learners)</i>		-	-	-	-	-	-	-	30	-	-
<i>Social Projects (Recycling and Composting Awareness)</i>		-	-	-	-	-	-	-	500	-	-
<b>Total Cash Transfers To Groups Of Individuals:</b>		<b>355</b>	<b>640</b>	<b>596</b>	<b>1,175</b>	<b>1,713</b>	<b>1,713</b>	<b>1,713</b>	<b>2,717</b>	<b>1,338</b>	<b>1,403</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>6</b>	<b>6,093</b>	<b>5,867</b>	<b>6,736</b>	<b>7,797</b>	<b>8,536</b>	<b>8,536</b>	<b>8,536</b>	<b>9,701</b>	<b>8,683</b>	<b>9,093</b>

**Table 66 MBRR SA32 – List of external mechanisms**

**WC013 Bergrivier - Supporting Table SA32 List of external mechanisms**

External mechanism  Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
NEDBANK	Yrs		Bankdienste	30 June 2028	rates
Siyanda Business Solutions	Yrs		Accounting Services	30 June 2025	694
Phoenix Vesta	Yrs		Financial System	30 June 2032	1,980
HCB Valuers and Services (Pty) Ltd	Yrs		Service Level Agreement Valuations Services	30 June 2023	62
Verso Financial Services	Yrs		Group Life Insurance Scheme	30 June 2023	rates
Netstar	Yrs		Supply, installation and monitoring of a vehicle tracking system for Bergrivier Mu		201
Mubesko	Yrs		Provision of technical support for Asset Management for	30 June 2026	1,420
TMT Services and Supplies (Pty) Ltd	Yrs		Service Level Agreement	30 June 2022	1,278
ER 24	Yrs		Monitoring van alarmstels	30 June 2023	177
Ignite Advisory Services	Yrs		Provisioning of a web based electronic management sys	30 June 2023	223
Cab Holdings	Yrs		Service provider for the design, printing, email and distri	30 June 2023	636
TGIS	Yrs		Software License, Maintenance and Support Agreement	30 June 2024	462
Contour Technology	Yrs		Supply, installation and management of a STS compliant	30 June 2023	2,035
Shamar Trust	Yrs		Slabig Trus (Agrisell) Verhuring van kantoorspasie	30 June 2031	174
Vodacom	Yrs		Addendum to existing lease agreement to extend option	31 July 2025	526
Payday Software Systems	Yrs		Payday Software Systems Licence Agreement	30 June 2023	264
Department of Environmental Affairs	Yrs		Licence to Section 49(1)(a) of the National Environmental	31 January 2031	rates
Department of Environmental Affairs	Yrs		Licence to Section 49(1)(a) of National Environmental Ma	30 September 2030	rates
Konica Minolta	Yrs		Supply, Delivery and Installation of Photocopier Machine	30 June 2022	73
Kimru IT Logix (Pty)Ltd	Yrs		OrgPlus HR System	31 January 2023	19

**Table 67 MBRR SA38 – Consolidated detailed operational projects**

**WC013 Bergrivier - Supporting Table SA38 Consolidated detailed operational projects**

R thousand	Function	Project Description	Project Number	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Parent municipality:</b>								
<i>List all operational projects grouped by Function</i>								
Executive and council	Accountable leadership supported by professional and skilled administration.	S203	-	-	11,453	11,811	12,370	
Executive and council	Promote continued partnerships for youth development.	S502	-	-	200	59	62	
Executive and council	Communicate effectively with the public	S204	-	-	13,521	14,655	15,377	
Executive and council	Promote tourism.	S402	-	-	2,569	2,677	2,803	
Executive and council	To promote healthy lifestyles through the provision of sport, recreational and other facilities and opportunities.	S501	-	-	1,735	-	-	
Planning and development	Improve the regulatory environment for ease of doing business.	S401	-	-	4,421	4,867	5,126	
Planning and development	Promote continued partnerships for youth development.	S502	-	-	285	354	370	
Executive and council	Improve the regulatory environment for ease of doing business.	S401	-	-	959	1,001	1,050	
Internal audit	Provide a transparent and corruption free municipality.	S202	-	-	1,577	1,711	1,809	
Planning and development	Conserve and manage the natural environment and mitigate the impacts of climate change.	S305	-	-	6,881	7,451	7,845	
Planning and development	Develop, manage and regulate the built environment.	S303	-	-	3,631	3,503	3,704	
Planning and development	Develop and provide bulk infrastructure within the climate change risks.	S301	-	-	3,253	3,426	3,604	
Planning and development	Alleviate poverty through job creation in municipal driven projects and programmes.	S403	-	-	2,873	-	-	
Finance and administration	Diversify revenue and ensure value for money services	S103	-	-	29,551	28,472	30,058	
Finance and administration	To budget strategically	S101	-	-	2,595	2,749	2,906	
Finance and administration	Ensure sustainable financial risk and asset management	S104	-	-	9,641	10,934	11,559	
Finance and administration	Create an efficient, effective, economic and accountable administration.	S201	-	-	25,319	26,507	27,967	
Finance and administration	Develop a Master Plan for "Smart Cities" in Bergrivier Municipal Area.	S504	-	-	5,814	6,735	7,059	
Finance and administration	Develop, manage and regulate the built environment.	S303	-	-	9,876	11,993	12,203	
Finance and administration	A customer centred approach to everything.	S205	-	-	8,587	9,082	9,556	
Finance and administration	Entrench the Long-Term Financial Plan in the planning, implementation and management of the organisation	S102	-	-	2,125	2,242	2,363	
Finance and administration	Alleviate poverty through job creation in municipal driven projects and programmes.	S403	-	-	552	585	620	
Waste management	Maintain existing bulk infrastructure and services.	S302	-	-	49,500	55,542	58,207	
Waste management	Alleviate poverty through job creation in municipal driven projects and programmes.	S403	-	-	600	-	-	
Waste management	Promote a safe environment for all who live in Bergrivier Municipal Area.	S503	-	-	5,207	5,522	5,910	
Community and social services	To promote healthy lifestyles through the provision of sport, recreational and other facilities and opportunities.	S501	-	-	13,417	14,394	15,160	
Community and social services	Promote a safe environment for all who live in Bergrivier Municipal Area.	S503	-	-	1,627	1,576	1,680	
Waste water management	Maintain existing bulk infrastructure and services.	S302	-	-	17,461	18,482	19,261	
Housing	Ensure all policies and systems in Bergrivier Municipality support poverty alleviation.	S404	-	-	12,690	8,746	75,402	
Public safety	Promote a safe environment for all who live in Bergrivier Municipal Area.	S503	-	-	39,790	41,566	43,802	
Public safety	Alleviate poverty through job creation in municipal driven projects and programmes.	S403	-	-	684	725	769	
Sport and recreation	To promote healthy lifestyles through the provision of sport, recreational and other facilities and opportunities.	S501	-	-	24,400	26,185	27,621	
Water management	Maintain existing bulk infrastructure and services.	S302	-	-	30,035	31,055	32,767	
Road transport	Maintain existing bulk infrastructure and services.	S302	-	-	36,649	37,956	40,160	
Road transport	Alleviate poverty through job creation in municipal driven projects and programmes.	S403	-	-	300	318	337	
Road transport	Promote a safe environment for all who live in Bergrivier Municipal Area.	S503	-	-	1,870	1,973	2,081	
Energy sources	Maintain existing bulk infrastructure and services.	S302	-	-	157,249	174,270	191,647	
Energy sources	Source alternative sources of energy in the context of national electricity provision.	S304	-	-	1,478	1,562	1,651	
Executive and council		S101	9,707	11,343	-	-	-	
Executive and council		S104	4	5	-	-	-	
Executive and council		S103	13,756	16,364	-	-	-	
Executive and council		S106	43	59	-	-	-	
Planning and development		S302	3,719	4,582	-	-	-	
Internal audit		S105	1,114	1,160	-	-	-	
Planning and development		S502	5,165	5,796	-	-	-	
Planning and development		S501	2,259	2,605	-	-	-	
Planning and development		S201	4,261	4,301	-	-	-	
Finance and administration		S103	51,289	70,681	-	-	-	
Finance and administration		S101	2,210	2,475	-	-	-	
Finance and administration		S501	6,200	7,563	-	-	-	
Finance and administration		S102	2,188	2,097	-	-	-	
Finance and administration		S201	1,824	1,609	-	-	-	
Finance and administration		S402	3,367	4,019	-	-	-	
Waste management		S201	39,867	48,144	-	-	-	
Waste management		S402	4,678	4,901	-	-	-	
Community and social services		S403	7,799	8,956	-	-	-	
Community and social services		S401	3,464	3,870	-	-	-	
Community and social services		S402	1,009	1,008	-	-	-	
Waste water management		S201	10,395	15,355	-	-	-	
Housing		S304	1,756	1,871	-	-	-	
Housing		S501	387	51	-	-	-	
Public safety		S402	32,701	38,464	-	-	-	
Sport and recreation		S401	12,653	14,171	-	-	-	
Sport and recreation		S102	5,629	6,700	-	-	-	
Water management		S201	23,469	29,006	-	-	-	
Road transport		S303	29,601	34,143	-	-	-	
Road transport		S402	1,339	1,515	-	-	-	
Energy sources		S201	135,169	147,549	-	-	-	
<b>Parent Operational expenditure</b>			<b>417,021</b>	<b>490,365</b>	<b>540,375</b>	<b>570,683</b>	<b>674,867</b>	

## 2.14 Municipal manager's quality certificate

I, H Linde, Municipal Manager of Bergrivier Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Advocate H. Linde

Municipal Manager of Bergrivier Municipality (WC013)

Signature  \_\_\_\_\_

Date 26 May 2023

**Annexure A**  
**Budget Related**  
**Policies**



# BERGRIVIER

Munisipaliteit / Municipality



## ASSET MANAGEMENT POLICY

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## **1. INTRODUCTION**

This policy is designed to assist the management and officials of the Bergriver Municipality with the procedures to manage Property, Plant and Equipment (PPE), Investment Property, Heritage Assets, and Intangible Assets. It is also intended to distinguish between activities acceptable in terms of general approval, supervisory responsibilities, and limits of authority over the management of assets and functions of the organization.

The policy provides certainty of asset management processes undertaken within the organisation and will ensure that management and officials understand their legal and managerial responsibilities with regard to assets.

For the purposes of this policy, assets exclude inventory and monetary assets such as debtors.

This policy replaces all asset management procedures/instructions and memoranda previously issued.

Non-compliance with this policy will result in disciplinary actions, in terms of the Human Resource Policy and procedures of the Municipality.

## **2. GOAL**

The purpose of this policy is to ensure that the assets of the Municipality are properly managed and accounted for by ensuring the following:

- Accurate accounting and recording of relevant asset information;
- Accurate accounting and recording of asset movements;
- Exercise strict physical control over all assets;
- Correct accounting treatment in the Municipality's financial statements;
- Provide accurate and meaningful management information;
- Compliance with Council's accounting policies and Generally Recognised Accounting Practice;
- Sufficient assurance of assets;
- Sufficient maintenance of the municipal assets;
- Ensure that managers are aware of their roles and responsibilities regarding assets; and
- Set out management standards, accounting principles, and internal controls for the safeguarding of assets from losses and damages.

## **3. STATUTORY FRAMEWORK**

The statutory framework for this policy is:

- The Constitution of the Republic of South Africa, 1996;
- Municipal Structures Act, No. 117 of 1998;
- Municipal Systems Act, No. 32 of 2000;
- Municipal Finance Management Act, No. 56 of 2003
- Regulation No. 31346 of 2008; (Asset Transfer Regulations)
- Municipal Supply Chain Management Regulations No. 27636;
- Generally Recognized Accounting Practice.

## **4. ACCOUNTING STANDARDS**

This document represents a policy formulation and will not take precedence over the standards specified by the Accounting Standards Board. The relevant accounting standards include:

- GRAP 1 - Presentation of Financial Statements;
- GRAP 3 – Accounting Policies, Change in Accounting Estimates and Errors
- GRAP 5 – Borrowing Cost
- GRAP 13 - Leases.
- GRAP 16 - Investment property;
- GRAP 17 - Property, Plant and Equipment;
- GRAP 21 - Impairment of Non-cash generating assets;
- GRAP 26 – Impairment of Cash-generating assets;
- GRAP 31 – Intangible Assets;
- GRAP 32 – Service Concession Arrangements: Grantor
- GRAP 100 - Discontinued Operations;
- GRAP 101 – Agriculture; and
- GRAP 103 – Heritage Assets.
- Directive 7 – The application of Deemed Cost

Other relevant accounting standards are:

- GRAP 12 – Inventory; and
- GRAP 11 – Construction contracts.

## **5. DEFINITIONS**

***Depreciable Amount*** – The cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

***"Active market"*** is a market in which all the following circumstances must be present:

- The assets which are traded in the market are homogeneous;
- A willing buyer and willing seller can normally exist at any given time; and
- Prices are available to the public.

***"Amortisation"*** is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

***"Other Assets"*** – are defined as assets utilised in normal operations. Examples are plant, property and equipment, motor vehicles and furniture and fittings.

***"Asset Manager"*** is any official to whom the responsibility has been delegated and who needs to account for the control, use, physical and financial management of the Municipality's assets, in terms of the municipality's standards, policies, procedures and relevant guidelines.

***"Asset Register"*** is the record keeping of information on each asset that supports the effective financial and technical management of the assets and which complies with statutory requirements.

***"Assets"*** are resources controlled by the Municipality as a result of historical events and of which it is expected that future economic benefits or potential service will result. Therefore, for the purpose of this policy, assets exclude inventory and other monetary assets.

***"Investment property"*** – is defined as property (land or a building or part of a building or both) owned (by the owner or the tenant within a lease) to earn rent or for economic and capital gain or both, unlike for:

- 
- (a) use in the production and supply of goods and services or for administrative purposes;  
Or  
(b) sales in the normal course of business.

**"Manager"** is any senior manager and every municipal official exercising financial management responsibilities.

**"Fair Value"** – is the amount for which assets can be exchanged between knowledgeable, willing parties in an arm's length transaction.

**"Biological Asset"** is a live animal or plant.

**"Biological Transformation"** comprises the process of growth, degeneration, production and procreation that causes qualitative and quantitative changes to a biological asset.

**"Useful Life"** – is:

- the period of time over which an asset is expected to be used by the Municipality, or
- the number of production or similar units expected to be obtained from the asset by the Municipality.

**"Service Provider"** –

- (a) with regards to a municipal service, means a private sector party or organ of state is appointed by a municipality, in terms of Section 8 of the MSA, to perform a municipal service in accordance with the Act; or
- (b) with regards to a commercial service, a private sector party or organ of state, appointed by the municipality or municipal entity in terms of the supply chain policy to perform a commercial service to or for the municipality or entity, as an independent contractor.

**"The Act"** means the Local Authority: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

**"Carry amount"** is the amount at which an asset is included in the financial statements after deducting any accumulated depreciation and accumulated impairments.

**"Property, Plant and Equipment" (PPE)** – are tangible assets that:

- are held by the municipality for use in the production or provision of goods or services, for rentals to others, or for administrative purposes; and
- are expected to have a useful life extending more than one reporting period (12 months).

**"Heritage Assets"** – are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

**"Depreciate replacement costs"**, with regards to capital assets, means the cost of replacing the capital asset on the date of transfer, adjusted by the accumulated depreciate cost on the date of transfer taking place taking into account the condition and age of the assets.

**"Community assets"** – are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.

**"GRAP"** are Standards of Generally Recognized Accounting Practice.

**"Historical Cost"** means the original purchase price or cost of acquisition of capital assets at the time of acquiring the asset.

**"Chief Financial Officer"** means an official of the municipality designated by the Municipal Manager to be administratively in charge of the budget and treasury functions.

**"Infrastructure assets"** – is defined as any asset that is part of a network or similar assets. Examples are roads, water purification networks, sewage purification networks, highways, transport terminals and parking areas.

**"Class of plant, property and equipment"** means a grouping of assets of a similar nature or function in a municipality's operations, which are shown as a single item for the purpose of disclosure in the financial statements.

**"Commercial service"** means a service other than a municipal service:

- (a) Provided by a private sector party or organ of state to or for a municipality or municipal entity on a commercial basis; and
- (b) Purchased by the municipality or municipal entity through the supply chain management policy.

**"Cost"** – is the amount of cash or cash equivalent paid or the fair value of the other consideration given to acquire an asset at the time of acquisition or construction or where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of GRAP Standards.

**"Agricultural Activity"** is the management by the municipality of the biological transformation of biological assets for sale, in agricultural produce, or in additional assets.

**"Agricultural Produce"** is the harvested product of the entity's biological assets.

**"Municipality"** means the Berg River Municipality.

**"Municipal Valuation"** means the official valuation of an immovable property as indicated in the Municipality's valuation roll.

**"Intangible assets"** – are identifiable assets without physical substance.

**"Transfer"**, means with regards to a capital or sub asset, the transfer of ownership as a result of sales or other transactions.

**"Impairment Loss of Cash generating assets"** – is the amount by which the carrying amount of the asset exceeds the recoverable amount.

**"Impairment Loss of Non-cash generating assets"** – is the amount by which the carrying amount of assets exceeds the recoverable service amount.

**"Right to utilise, control and manage"** means the right to use, control or manage the capital asset for a period longer than one calendar month, without transferring ownership of the asset. In other words, where such a right does not result in the transfer or permanent alienation of the asset, for example, when a right has been obtained through a lease, letting or lease agreement.

**"Accounting officer"** means the Municipal Manager appointed in terms of Section 82 of the Local Authority: Municipal Structures Act, 1998 (Act 117 of 1998) and in charge of the administration and accounting responsibilities in terms of Section 60 of the Local Authority: Municipal Finance Management Act, 2003 (Act 56 of 2003);

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**"Residual value"** is the net amount that the municipality expects to obtain from an asset at the end of its useful life, after deducting the estimated cost of disposal, if the assets have already reached the age and expected condition at the end of the usable lifetime.

**"Realisable Value"** means the amount of cash or cash equivalents that currently can be obtained by transferring the capital assets, less the estimated cost of completion and the estimated cost of transferring the asset.

**"Senior Manager"** is a manager referred to in Section 57 of the Municipal Systems Act (MSA) and who is somebody that reports directly to the Municipal Manager.

**"Recoverable Amount"** – is the highest of the cash-generating asset's sale price and the future value in use.

**"Recoverable service amount"** is the highest of a non-cash generating asset's fair value minus the cost to sell and the future value in use.

**"Alienation"**, in connection with capital assets, includes –

- (a) The breakdown, demolition or destruction of the capital assets; or
- (b) Any other process applied to capital assets resulting in the loss in ownership of the capital assets, other than by transfer of ownership.

**"Alienation Management System"** means the system considered in regulation 40 of the Municipal Supply Chain Management Regulations, published by General Notice No. 868 of 2005.

**"Improvement/Rehabilitation"** is an improvement or change of an existing asset beyond its originally recognized service potential, for example usable lifetime, capacity, quality and functionality.

**"Supply chain management policy"** means the supply chain management policy of the municipality or municipal entity must have in terms of Chapter 11 of the Act.

**"Depreciation"** – is the systematic allocation of the depreciable amount of an asset over its useful lifetime.

## **6. BACKGROUND**

The acquisition and management of PPE, investment property, intangible assets, heritage assets and agricultural assets is the primary mechanism by which the Municipality can fulfil its constitutional mandate for: -

- Delivery of sustainable services;
- Social and economic development;
- Promoting a safe and healthy environment; And
- Fulfilling the basic needs of the community.

The Municipality has a legislative and moral duty to ensure that policies are implemented to ensure the effective and efficient use of assets over their useful lifetime.

The asset management policy deals with municipal rules required to ensure the enforcement of appropriate stewardship over assets. Stewardship has three components namely:-

- Management, utilisation and control by the Municipal Officials;

- Physical administration by the Chief Financial Officer; And
- Physical administration by the Manager: Assets.

Statutory provisions are implemented to protect public property against arbitrary and poor management or disposal by the local authority.

Accounting standards have been approved by the Accounting Standards Board (ASB) to ensure the proper financial treatment of property, plant and equipment, investment property, intangible assets, heritage assets and agricultural assets. The requirements of these new accounting standards include-

- Preparation of asset registers that include all assets controlled by the Municipality.
- Accounting treatment such as acquisition, disposals, disclosure, and depreciation/amortization of assets.
- Financial treatment should comply with the latest accounting standards.

## **7. DELEGATION OF DUTIES**

This policy should be applied taking into account the Municipality's policy regarding delegated powers. Such powers refer to delegations between the Municipal Manager and other responsible officials as well as between Council and the Executive Mayor and the Council and the Municipal Manager. All delegations in terms of this policy must be done in writing.

In accordance with the Local Authority: Municipal Finance Management Act (Act 56 of 2003) (MFMA), the Municipal Manager is the accounting officer of the Municipality and therefore all municipal officials must report to him/her. The Municipal Manager is therefore responsible for all transactions performed by his/her delegates.

The overall responsibility of asset management rests with the Municipal Manager, although day-to-day management of assets should be the responsibility of all officials in terms of written delegation of duties.

## **8. RESPONSIBILITY**

### **Municipal Manager**

The Municipal Manager is responsible for managing the assets of the Municipality, including the safekeeping and maintenance of those assets. He/she must ensure that:

- The Municipality has a management, accounting and information system that will account for and maintain the assets of the Municipality.
- The Municipality's assets are valued in terms of GRAP.
- The Municipality has a system of internal control over assets, including an asset register, updated and maintained.
- Senior executives and other officials adhere to this policy.

### **Chief Financial Officer**

The Chief Financial Officer must ensure that-

- Suitable financial management systems and internal control established and conscientious be executed.
- The financial and other sources of the Municipality is issued to him/her effectively, economically, and efficiently.
- Any unauthorised, irregular, fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented.



- 
- The systems, processes and registers required to substantiate the financial values of the Municipality's assets are maintained to standards sufficient to satisfy the requirements of effective management.
  - Financial processes are established and maintained to ensure that the Municipality's financial resources are utilised optimally through appropriate asset planning, budgeting, purchase, maintenance and disposal decisions.
  - The Municipal Manager was appropriately advised on the exercise of powers and duties in respect of the financial administration of assets.
  - The managers and senior management teams are appropriately advised on exercising their powers and duties in respect of the financial administration of assets.

### **Senior Managers**

The Senior Managers must ensure that:

- Appropriate systems are established and executed for physical management and control of assets in their area of responsibility.
- The Municipal resources allocated to him/her are effectively, economically and efficiently being used.
- The assets under their control are properly secured and maintained to the point of the required level and that risk management systems exist and are maintained.
- Any unauthorised, irregular, fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented.
- Their management systems and controls provide accurate, reliable and up-to-date information of assets under their control.
- Their plans, budgeting, procurement, maintenance and disposal decisions regarding assets can be justified and the Municipality's strategic Goals are optimally achieved.
- The purchase of assets complies with all municipal policies and procedures.
- All assets have been accounted for and identified and inspected before it is received in their care.
- All moveable assets received into their stewardship are appropriately safeguarded against inappropriate use or loss. This will include control over the physical access to these assets and regular stock takes to ensure that no losses have occurred. Any known losses should be immediately reported to the Chief Financial Officer.
- Assets are used appropriately for the purpose as intended by the municipality.

The Senior Manager may delegate or otherwise assign responsibility to others to perform these functions, but they will remain responsible for ensuring that these activities are carried out.

## **9. FINANCIAL MANAGEMENT**

### **Planning before Acquisition of Assets**

When a capital project is included in the budget and before it can be implemented, the relevant manager must submit the following to Council for consideration:

- The estimated cost of the project over all the financial years until the project is operational;
- The future operating costs and revenues of the project including the tax and tariff implications;
- The future operational costs and revenue of the project, including tax and tariff implications;
- The physical and financial relationship of the asset during all stages of its lifespan, including procurement, installation, maintenance, operation, disposal and rehabilitation;

- 
- The inclusion of the capital project in the Integrated Development Plan (GOP) and future budgets; And
  - Alternatives to the capital purchase.

The Chief Financial Officer is responsible for ensuring that all possible assistance, guidance and explanations are provided to the heads of the relevant departments so that he/she will be able to meet his planning requirements.

### **Approval to Acquire Assets**

Funds can only be spent on a project, if:

- The allocated funds were in an approved capital budget;
- The project, including the total cost, was approved by Council;
- The Chief Financial Officer confirms that funding is available for the project; and
- Any contract that will cause financial obligations for more than two years after the budget period has been properly disclosed.
- The Supply Chain Management Policy has been complied with.

Approval for the purchase of assets will be made in terms of the Municipality's delegation of powers and the payment for the purchase of assets will be made in consultation with the financial policies and regulations of the Municipality.

### **Funding of Assets**

The Chief Financial Officer will, within the municipality's ongoing financial, legal or administrative capacity, establish and maintain funding strategies that will optimise the municipality's ability to achieve the strategic objectives set out in the Integrated Development Plan. The purchase of assets will not be funded over a period that exceeds the useful life of the asset.

Types of funding sources may include:

- External loans;
- Government awards;
- Public contributions and donations;
- Finance leases;
- Capital Replacement Reserve; And
- Surplus cash.

### **Disposal of Assets**

In terms of Section 14 of the MFMA, the Municipality may not transfer ownership as a result of sales or other transaction or otherwise permanently alienating assets required for the delivery of the minimum level of basic municipal services, unless such asset is superfluous, surplus to requirements, cannot be fixed or replaced with the proviso that the minimum level of basic municipal services is not disadvantaged with the sale of the asset.

Council delegates the power to approve the disposal of vehicles with an estimated carrying amount of less than R100 000 (one hundred thousand rand) and other movable assets with an estimated carrying amount of less than R20 000 (twenty thousand rand), to the Municipal Manager. (RB 666 08/02/2012) If the carrying value is above the said amounts, the Municipality may transfer or otherwise dispose of ownership, except in the above case, but only after the approval of Council in a meeting open to the public:

- 
- On reasonable grounds, it decided that the asset was not required for the delivery of basic municipal services;
  - Considered the fair market value of the asset and considered the economic and community value that will be received in exchange for the asset.

The decision of whether a specific asset is not required for the delivery of a basic municipal service may not be revoked by the Municipality after the asset has been sold, transferred or otherwise disposed of.

In compliance with principles and directives of the MFMA, the transfer of ownership of any PPE item will be fair, equal, transparent, competitive and consistent with the Municipality's Supply Chain Management Policy and the Municipality's Municipal Asset Transfer Regulations. The transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these directives with the proviso that the transfer be made in terms of a prescribed legal framework.

Each Head of Department shall report in writing to the Chief Financial Officer, on/before 31 October of each financial year, on all assets under their control or used, which they wish to dispose off, through public auction or public tender.

The Chief Financial Officer will subsequently consolidate all requests received from the various departments and will briefly report the consolidated information to Council or the Municipal Manager of the Municipality, whatever the case may be, suggesting the disposal process to be followed.

When the assets are disposed of, the Chief Financial Officer will deal with the disposal of the items in terms of GRAP and adjust the relevant records of the Asset Register. If the proceeds of the disposal are less than the carrying amount indicated in the Asset Register, such a difference must be recognised as a loss in the Statement of Financial Performance of the relevant department.

All assets earmarked for write-off must be sold by public auction or tender after the following steps have been taken:

- a notice of the intention of the municipality to sell the asset has been published in the local press;
- the municipality has appointed an independent valuer in the event of tender sales to establish a minimum sale price;
- in the event of a public auction, the municipality appointed an independent auctioneer to observe the auction; And
- in the case of a public tender the prescribed tender procedures have been complied with.

#### **Loss, Theft, Destruction, or Impairment of Assets**

Every Manager must ensure that any case of loss, theft, destruction or material permanent impairment of assets under his/her control or used by the relevant department is promptly reported in writing to the Chief Financial Officer, internal auditor and in cases of suspected theft or intentional damage to the South African Police Service.

## **10. INTERNAL CONTROLS**

### **Asset Register**

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The Chief Financial Officer will establish and maintain an Asset Register that summarizes all important data relating to each item of Property, Plant and Equipment, Investment Properties, Intangible Assets, Heritage Assets and Agricultural Assets that meet the criteria of recognition.

The asset register will be kept in the format established by the Chief Financial Officer, and must comply with the requirements of GRAP and any other accounting requirements that may have been prescribed.

The asset register should contain the following information as far as possible:

- A brief but meaningful description of each asset;
- The date on which the asset was acquired or taken on;
- The location of the asset;
- The responsible manager and department(s) or post(s) within which the assets will be used;
- The title deed number, in the case of property;
- The erf number, in the case of property;
- Measurement approach (Cost Model or Fair value);
- The original estimated useful life;
- The revised estimated useful life;
- The residual value;
- The revised residual value;
- The original cost or the revalued amount or the fair value if no charges are available;
- The (last) revaluation date of the assets yet to be valued;
- The revaluation value of those assets;
- Who made the (last) revaluation;
- Accumulated depreciation to date;
- The depreciation charge for the current financial year;
- The carrying amount of the asset;
- Depreciation method;
- Impairments that occurred during the financial year (and the reversal of impairments where applicable);
- Method by which recoverable amount was calculated (when impairment is required in terms of GRAP);
- Increases or decreases due to revaluation (if applicable);
- The source of funding;
- Condition of the asset;
- The current insurance arrangements/agreement;
- Whether the asset is required to provide basic municipal services;
- Whether the asset was used as security for any debt and if so, its nature and period;
- Security arrangements;
- The date on which the asset was disposed of;
- The selling price;
- The date on which the asset retired from service, if not disposed.

All heads of department under whose control any asset is will briefly provide any information required to compile the asset register in writing to the Chief Financial Officer and will also notify the Chief Financial Officer in writing of any material change that may take place in relation to that information.

An asset will be capitalised, thus recorded in the asset register, as soon as it is acquired. If the asset is erected over a period of time, it will be recorded as work-in-process until it is available for use after which it is appropriately capitalised as a fixed asset. An asset will remain in the

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asset register for as long as it exists physically. The fact that an asset is fully depreciated is not solely a reason to remove it from the Asset Register.

Asset Register related controls must be sufficient to provide Senior Managers with an accurate, reliable and up-to-date review of assets under their control in terms of standards established by the Chief Financial Officer and in terms of the relevant legislation and other requirements.

These controls should include the following:

- Information on physical management;
- Accounting of all acquisitions, movements, transfers, losses and disposals of assets;
- Regular physical asset counts; and
- System audits to confirm the accuracy of the records.

The Chief Financial Officer must establish a system that ensures that all movable assets have been provided with a unique identification number/barcode that will be incorporated into the asset register.

The Senior Managers must ensure that the approved asset identification system is carefully applied to all assets under their control or in use by the relevant department.

## **11. PHYSICAL CONTROLS AND MANAGEMENT**

### **The responsibility of the Asset Control division**

- The Asset Control Division will undertake the annual asset count as part of their annual reporting process.

### **The date of purchase**

- The date of purchase is deemed to be the time when the ownership passes to the Municipality. This may differ between the different asset classes but will usually be the point at which the asset is commissioned or when the final payment for the item has been approved.

### **Transfers between Managers**

#### **Permanent Transfer to Other Manager**

A manager may transfer an asset under his control provided that another Senior Manager accepts written responsibility for the asset. Copies of such approvals must be handed over to the Financial Services Department.

The Financial Services Department must adjust the Asset Register for all such approved transfers.

The Manager to whom the asset is transferred must accept responsibility for the transferred asset from a date specified in the above communication.

A manager must ensure that the assets are insured against loss, damage or abuse, wherever the asset is located. Protection includes ensuring reasonable physical limitations.

#### **Shifting or Redeployment of Assets**

A manager must notify the Chief Financial Officer in writing when an asset has been moved or re-deployed from its location or cost center as recorded in the Asset Register.

In the case of assets such as vehicles used under normal operations away from its base, this reporting is not required.

### **Verification of Assets**

Each Manager, in conjunction with the Asset Control Division, will perform a physical verification of assets on an annual basis.

The results of the verification will be reported to the Chief Financial Officer in a format as prescribed by the Chief Financial Officer.

The annual verification will be made as close as possible to year-end and the report must reach the Chief Financial Officer not later than 30 June.

### **Insurance of Assets**

The Municipal Manager must ensure that all movable assets are at least insured against fire and theft and municipal buildings and infrastructure have been insured against fire and natural disasters.

The Municipal Manager must decide, after consultation with the Chief Financial Officer, on a basis of insurance coverage that may be either the carrying amount or replacement value of the assets. The recommendation will have to take into account the Municipality's budget resources.

## **12. MANAGING AND OPERATING ASSETS**

### **Responsibility for managing assets**

Every Senior Manager is responsible for ensuring that municipal resources allocated to them are effectively, efficiently, economically and transparently used. These include:

- The development of appropriate management systems, procedures, processes and controls for asset management;
- Providing accurate, reliable and up-to-date accountability of assets under their control; and
- The development and motivation of relevant strategic management plans and operating budgets that optimally achieve the Municipality's strategic objectives.

### **Content of a strategic management plan**

Senior Managers must manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Senior Managers must develop strategic asset management plans that cover the following:-

- Comparison with the IDP;
- Industry guidelines;
- Performance monitoring;
- Maintenance programs;
- Renewal, renovation and replacement plans;
- Disposal and Rehabilitation plans;
- Operational, financial and capital support requirements; And
- Risk management plans, including insurance strategies.

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The operating budget is the short- to medium-term plan for implementing this strategic asset management plan.

### **Reporting emerging issues**

Every Functional Manager should report issues, which significantly affect the asset's abilities to achieve the required level of service or economic benefit, to the Municipal Manager.

## **13. CLASSIFICATION AND COMPONENTS OF ASSETS**

### **Classification of Assets**

Any asset recognised as an asset in terms of this policy will be classified in terms of nationally recognised categories.

These categories are determined by the Accounting Standards Board.

All assets must be classified under the following headings in the Asset Register:

#### **13.1 Property, Plant and Equipment (PPE)**

- Land and Buildings (not held as investment assets).
- Infrastructure assets (assets that are part of a network of similar assets).
- Community assets (assets contributing to the general well-being of the community).
- Other assets (normal operational assets).
- Leased Assets

#### **13.2 Investment property**

- Land
- Buildings

#### **13.3 Intangible Assets**

- Computer Software

#### **13.4 Agricultural Assets**

#### **13.5 Heritage Assets**

#### **13.6 Service Concession Assets**

### **Optional Treatment of Material Components**

A manager must, with the approval of the Chief Financial Officer, deal with material components of an item of property, plant and equipment as a separate asset for the purposes of this policy.

These material components may be defined by its physical characteristics or its financial values.

When considered for approval, the Manager must be satisfied that the components

- Has a different useful life or usage pattern than that of the main asset.
- Align with the asset management plans;
- Justify the cost of separate identification;
- Probable future economic benefits or potential service delivery will flow from the asset to the Municipality;

- Costs can be reliably measured;
- Controlled by the municipality; And
- Will be used for more than one financial use.

All such decisions and agreements must be confirmed before the beginning of the financial year and must be submitted for approval along with the budget. Any amendments will only be allowed as part of the budget review (i.e. once or twice throughout the year).

When a material component has been recognised as a separate asset, it may be acquired, depreciated and disposed of as if it were a separate asset.

## **14. ACCOUNTING OF ASSETS**

### **Recognition of Assets**

An item of property, plant and equipment will be recognised as an asset when:

- It is likely that future economic benefit or potential service delivery will flow from the asset to the Municipality;
- The cost of the asset can be reliably measured;
- The municipality has control over the asset; And
- It is expected that the asset will be used for more than one financial year.

### **Initial Measurement**

The original cost of an item of PPE or intangible assets may include:

- Cost price;
- Delivery costs;
- Installation costs;
- Professional fees;
- Site development costs;
- Contractor fees;
- Import duties;
- Taxes that cannot be claimed back (e.g. VAT on passenger vehicles).

### **Items consumed within 12 months**

The following list of items is approved to only be purchased via the operational/capital vote for expenditure and these will not be barcoded, but on a inventory list.

<b>Description</b>	<b>Description</b>	<b>Description</b>
3G or similar Internet Dongles	Guillotine	Pots and pans
Back Support	Hat and Coat Stand	Punch
Battery	Heaters	Small kitchen Appliance scales kettles mixer bowls
Binder	Kitchen utensils	Stamps
Buddy-systems	Ladders	Staplers
Calculator	Laptop bags	Tape measure
External Harddrives	Loose standing power supply	Towel, paper, aerosol dispensers
Fans	Mat/Carpet or floor protectors (beneath chairs)	Trolleys, Vacuum cleaners, Wall clocks
Fire Extinguisher	Mops and Mop buckets	Water Dispensers



First Aid Kit	Post boxes and similar document storage solutions	Wheelborrows
Foot rests	Pots and pans	Visitors Chairs.

**Donations and Exchanges**

When an item of property, plant and equipment has been acquired at no cost or at a nominal cost, it will initially be measured at its fair value on the date of acquisition and included in the Asset Register.

**Borrowing Cost**

Borrowing cost are interest and other expenses incurred by the Municipality in connection with the borrowing of funds. Borrowing cost that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

**Carrying amount of Assets**

After initial recognition as an asset, an item of property, plant and equipment will be carried at its cost minus accumulated depreciation and accumulated impairments.

**Depreciation and Amortisation**

All PPE excluding land, work-in-process and heritage assets, will be depreciated or amortised, in the case of intangible assets.

Depreciation and amortisation are defined as the monetary quantification of the extent to which PPE and Intangible Assets are used in the provision of economic benefits or the delivery of services.

The depreciable amount of an asset is determined after the residual value of the asset has been deducted. In practice, the residual value is usually not material.

When the standard handling has been accepted and the residual value is likely to be material, the residual value is estimated on the date of purchase. The estimated amount is based on the amount the municipality would currently obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset was already of age and in a condition expected at the end of its useful life.

The depreciation expenditure for each period will be recognised as an expense in the operating budget of each Department.

The depreciation method used will reflect the expected pattern by which the asset's future economic benefits or service delivery potential reduces the value of the asset.

Different depreciation methods can be used to write-off the amount in a systematic manner over the useful lifetime of the asset. The methods include the following:

- Straight-line method;
- Diminishing method; and
- Sum of production units method.

Straight-line depreciation causes a constant expense over the estimated lifetime of the asset if the residual value does not change.

The reduced balance method causes a declining expense over the useful lifetime of the asset.

The sum of production units method causes an expense based on the expected use or output.

The method of depreciation is constantly applied from period to period unless there has been a change in the expected pattern of use of future economic benefits or service delivery potential.

The straight-line method is used unless otherwise agreed in writing with the Chief Financial Officer.

Depreciation is calculated from the day the asset was available for use.

Each Head of Department, in consultation with the Chief Financial Officer, will ensure that reasonable provision is made annually in the budget for the depreciation and amortisation of all applicable PPE or Intangible Assets controlled or used by the department or expected to be controlled or used during the next financial year.

### **Initial Determination of Useful Lifespan**

The Chief Financial Officer must determine the economic useful life (EUL) of a specific asset or class of assets through the development of a strategic asset management plan. The determination of the economic useful life should be included as part of any pre-purchase planning that will consider, among other things, the following factors:

- The program that optimizes the long-term costs of owning the asset;
- Economic redundancies because they are too expensive to maintain;
- Functional redundancies because they no longer meet the municipality's needs;
- Technical redundancies;
- Social redundancies due to changing demographics; and
- Legal redundancies due to statutory provisions.

A schedule of useful lives is attached as Appendix A. It can only serve as a guideline, because real useful lives may differ drastically from these recommended useful lives.

In the case where an item of PPE or Intangible Asset is not listed in the appendix, the relevant Head of Department in consultation with Chief Financial Officer must determine the useful life of the asset. They will be guided in determining the useful life by the pattern by which the item's economic benefits or service potential will be consumed.

Parts specifically purchased for an asset or class of assets during the initial purchase of the asset, and which will become redundant if an asset or class of assets retire, or the asset or class of assets' use is discontinued, must be considered to form part of the historical cost of that asset or class of assets. The depreciable amount of the parts will be written off over the same lifespan as the asset or class of assets.

### **Review of Useful Lives and Residual value**

Only the Chief Financial Officer in consultation with the relevant Manager may determine or adjust the useful life or residual value of an asset.

The Chief Financial Officer will adjust the useful life or residual value of any asset if it becomes known that the asset had a substantial impairment, was not properly maintained, to such an extent that the expected lifespan of the asset will not be achieved, or any other incident that has occurred that has a material impact on the pattern by which the asset's economic benefits or service delivery potential is consumed.

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If the value of any item of PPE or an intangible asset is reduced to such an extent that it has no or an insignificant useful operating life, the item will be fully depreciated or scrapped in the financial year in which the impairment occurred.

In accordance with, if any item of PPE has been lost, stolen or damaged to such an extent that it cannot be repaired, the item(s) will be fully depreciated in the financial year in which the event occurred. If the item physically no longer exists, it will be written off in the asset register.

In all the above cases, the additional depreciation expenses will be debited against the department account that controls or uses the item of PPE or intangible assets.

Additional depreciation that was not budgeted for, due to unforeseen or unavoidable expenses, must be provided in an amended budget. If such circumstances arise near the end of the financial year and there is no time for Council to consider the amendments before the end of the financial year, a Mayor may approve the amendments in terms of Section 29 of the MFMA, with the proviso that any other provisions of the MFMA be complied with.

### **Revision of the Depreciation Method**

The depreciation method appropriate for each class of assets must be reviewed annually and if there is a material change in the expected pattern of economic benefits or service delivery potential of those assets, the method must be adjusted to reflect that change.

When such change in depreciation method is necessary, the change must be treated as a change in accounting estimate and the depreciation expenditure of current and future periods must be adjusted.

### **Subsequent Expenses**

Subsequent expenditure relating to an asset that has already been capitalised should only be added to the carrying amount of the asset when it is likely that future economic benefits or potential service delivery, above the originally assessed standard of performance of the existing asset, will flow to the Municipality.

All other expenses will be treated as an expense in the period in which it occurred.

Before approving the capitalisation of subsequent expenses, the Chief Financial Officer must be satisfied that the expense is a material:

- Increase in the lifespan of the asset will result above what is indicated in the Asset Register; or
- Increase in the quality of service rendered above the current level of service delivery; or
- Increase in the amount of services the asset can provide; Or
- Decrease in the future expected maintenance costs of the asset.

Expenses considered for capitalisation must also meet the recognition criteria of assets and must be appropriately included in the capital budget.

### **Impairment losses**

The carrying amount of an asset or group of identical items of Property, Plant and Equipment, Investment Properties and Intangible Assets must be periodically reviewed in order to determine whether the recoverable amount has not fallen to an amount that is lower than the carrying amount.

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The recoverable amount is the amount the municipality expects to recover from the future use of the asset including its residual value with disposal. When such a drop has occurred, the carrying amount should be reduced to the recoverable amount. The amount of this impairment will be immediately recognised as an expense in the Statement of Financial Performance. If this is a reversal of a previous revaluation, the revaluation reserve will be reduced.

The recoverable amount of individual assets or groups of identical assets is calculated separately and the carrying amount is reduced to the recoverable amount of the individual asset or group of identical assets, base. However, circumstances may exist where it is not possible to consider the recoverable amount of an asset on this basis, for example where all the plant and equipment in a sewage treatment plant are used for the same purpose. Under such circumstances, the carrying amount of each of the related assets will be proportionally reduced in relation to the drop in recoverable amount of the smallest grouping of assets for which it is possible to make a consideration of the recoverable amount.

The following are indicators of a possible impairment of an asset:

- The asset is damaged;
- The asset is technologically outdated and no longer usable;
- The asset was not in use for long periods of time before or during the period within which it was commissioned; and
- Land purchased at market value but will be used for subsidised housing projects and where the subsidy is less than the purchase price.

The following steps will need to be carried out regularly during the year in order to acknowledge impairment losses:

- The departments will identify assets and notify the Chief Financial Officer and Asset Control Division which:
  - Has been damaged;
  - Became technologically outdated;
  - For long periods of time not in use before the asset was commissioned or during its lifetime;
  - Subject to impairment losses because the subsidy to be received in exchange for assets is less than the carrying amount of the assets. An example of this is land purchased at market value and which will be used for subsidised housing developments.
- The recoverable amount of these assets must be determined by determining the net sale price per asset as defined above.
- The impairment loss per asset is the difference between the net sale price and the carrying value of the asset.

### **Subsequent Increase in the Recoverable Amount**

A subsequent increase in the recoverable amount of an asset, previously subject to an impairment loss due to a decrease in the carrying amount, will be written back if the circumstances that caused the loss have ceased to exist and are expected to remain so in the near future.

The amount written back should be reduced by the amount that would have been recognised as depreciation if the impairment loss had not occurred.

### **Accounting treatment of Disposals**

An asset should be removed from the Asset Register on disposals or when the asset is permanently withdrawn from use and no further economic benefits or potential service delivery is expected due to its existence.

Profits and losses arising from the retirement or sale of an asset will be calculated as the difference between the actual or expected sales return and the carrying value of the asset and will be recognised as an income or expense in the statement of Financial Statements.

**Reinstatement, Maintenance and Other Expenses**

Only expenses incurred for the improvement of an asset (in the form of improved or increased services, or benefits flowing from the use of such asset) or a material extension of the useful lifetime of an asset will be capitalised.

Expenses incurred for the maintenance or reinstatement of an asset will be recognised as operating expenses incurred to ensure that the asset's useful lifetime is sustained and therefore will not be capitalised, regardless of the nature of the expenses.

Expenses reasonably attributable to the asset may be capitalized as part of the cost of that asset. Such expenses may include the following, but are not limited to: import taxes, term contract costs, transportation costs, installation costs, erection costs and communication costs.

The following table can be used to distinguish capital expenditure from maintenance expenses:

CAPITAL EXPENSES	MAINTENANCE
<ul style="list-style-type: none"> <li>• Buying a new asset</li>   <li>• Replacement of an existing asset</li>   <li>• Improving an existing asset so that its use is expanded.</li> <li>• Further development of existing assets so that its initial useful lifetime is extended.</li> </ul>	<ul style="list-style-type: none"> <li>• Restoration of an asset so that it can continue to be used for its intended use.</li>   <li>• Maintenance of an asset so that it can be used for the initial intended period.</li> </ul>

**Finance Lease and Operating Lease**

**Finance leases** are leases, which in effect transfers all risks and rewards associated with ownership of the asset from the lessor to the lessee. Assets held under leases will be capitalised by the Municipality and incorporated into the Asset Register. The asset will be capitalized at its rental value at the beginning of the lease, which will be the price as indicated in the lease agreement, or at a price calculated after taking into account a reasonable interest on the rental payments over the period of the lease. Depreciation is written off on the asset over its expected usable lifetime.

**Operating leases** are leases that do not fall within the definition of finance leases. Lease payments are recognised as they become payable. Assets held under operating leases will not be recognised in the Asset Register.

**Investment Properties**

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Investment property will be dealt with in terms of GRAP 16 and will be classified separately in the Statement of Financial Position.

Investment properties consist of land or buildings (or portions of buildings) or both held by the Municipality, as owner or as landlord under a leasehold, to receive rental income or for capital growth or for both.

Investment properties will be incorporated into a separate portion of the Asset Register, similar to other assets.

Depreciation will be written off annually on investment properties over their remaining useful life.

### **Assets Held as Inventory**

Any land or buildings owned or purchased by the Municipality, with the intention of selling such property in the normal course of business or developing such property with the intention of selling in the normal course of business, will be disclosed as inventory. Such property will not be included as property, plant, equipment or investment property in the Municipality's Statement of Financial Position.

The inventory must be recorded in a separate list and be treated the same way as other fixed assets but a separate division in the asset register must be maintained for this purpose.

### **Heritage Assets**

Heritage assets will be dealt with in terms of GRAP 103 and will be classified separately in the Statement of Financial Position.

Heritage assets will be incorporated into a separate portion of the Asset Register, similar to other assets.

If no original cost or fair value is available to one or more heritage assets, the Chief Financial Officer, if it is believed that determining the fair value of the assets under review will be an excessive or expensive undertaking, recognise that asset or assets in the asset register without an indication of the cost price or fair value.

For the purposes of the State of Financial Position, the existence of such heritage assets, relevant and useful information will be disclosed using a disclosure note.

*(GRAP 103.17) (GRAP 103.09)*

### **Other Write-offs from Assets**

An asset item, even if it is fully depreciated, will only be written off when it can no longer be used, on the recommendation of the Head of Department who controls or uses the item in question. The Chief Financial Officer must also approve the write off.

Each Head of Department will report to the Chief Financial Officer on/before 31 October of each financial year on any asset item that that Head of Department wants written off, with full reasons for such recommendation. The Chief Financial Officer will consolidate all such reports and will briefly notify the Municipal Manager about the assets to be written off.

The only reasons for the write-off of assets other than through disposal will include loss, theft, destruction and permanent impairments of the items involved.

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If an asset item is to be written off as a result of an event outside the control of the Municipality, such as malicious damage, theft or destruction, the Municipal Manager must determine whether a third party or an employee was involved in the loss and take all reasonable steps to recover such loss, including reporting the incident to the South African Police Service, the Auditor-General and insurance, as well as, to take disciplinary action against such employee who may have been involved in such incident.

In each case where a not fully depreciated asset item is written off, the Chief Financial Officer shall immediately debit such departmental account with the full carrying amount of the item concerned as additional depreciation expenses.

## **15. MAINTENANCE**

### **Maintenance plans**

Each Head of Department will ensure that a maintenance plan with regard to each new asset with an asset value and/or category, as determined from time to time by the Municipal Manager, is prepared and submitted to the Municipal Manager on time.

If recommended by the Municipal Manager, the maintenance plan will be submitted to Council before any approval may be given for the acquisition or construction of the infrastructure asset involved.

The Head of Department that controls or uses the relevant infrastructure asset must report annually to Council, not later than July or the earliest Council meeting thereafter, to the extent that the relevant maintenance plan has been complied with and the likely effect that any non-compliance may have on the useful operating life of the asset concerned.

### **General Maintenance of Assets**

Each Head of Department will be directly responsible for ensuring that all assets are properly maintained and in such a manner that will ensure that such an asset reaches its useful life.

## **16. SHORT TITLE**

This policy will be called the Asset Management Policy of the **Bergrivier Municipality**.

## **17. CONSEQUENCE MANAGEMENT – SECTION 175 OF THE MFMA**

The code of ethical standard shall apply to all officials and other role players in the asset management system of the municipality in order to promote -

- (a)** mutual trust and respect; and
  - (b)** an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2)** A breach of the aforesaid code of ethics must be dealt with as follows -
- (a)** in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
  - (b)** in the case a role player who is not an employee, through other appropriate means with due regard to the severity of the

- (c)      breach;  
in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.



**APPENDIX A**

**SCHEDULE OF EXPECTED USABLE LIFETIME OF ASSETS**

	<b>ASSET LIFETIME</b>		<b>ASSET LIFETIME</b>
<b>Infrastructure Assets</b>		<b>Community Assets (continued)</b>	
Roads, Sidewalks, Bridges, Highways, Paving, Curbs and Stormwater	5-50	Museums and Galleries	20-50
Electricity Network	5-50	Other	3-30
Water Network	3-100	Work-in-process	N/A
Sewer Network	5-100		
Solid Waste	3-50		
Other	3-50	<b>Other Assets</b>	
Work-in-process	N/A	Motor vehicles	2-10
		Specialized Vehicles	2-30
		Plantation and Equipment	2-30
<b>Community Assets</b>		Furniture and Office Equipment	5-30
Parks and Public Amenities	20-30	Buildings	5-100
Sports Fields and Stages	5-50	Diverse	3-15
Community Hall	20-30	Leases	2-5
Libraries	20-50	Work-in-process	N/A
Recreation Facilities	20-50		
Clinics	20-50		

## **APPROVAL**

Updated and approved in terms of Board Decision \_\_\_\_\_ dated \_\_\_\_\_ which it states, "That the Accounting And Asset Management Policies be delegated to adjust the Accounting and Asset Management policies in terms of the requirements of the GRAP views, legislative requirements or requirements set by the Auditor-General, whenever necessary and that such changes are included in the next report on reviewing budget-related policies."

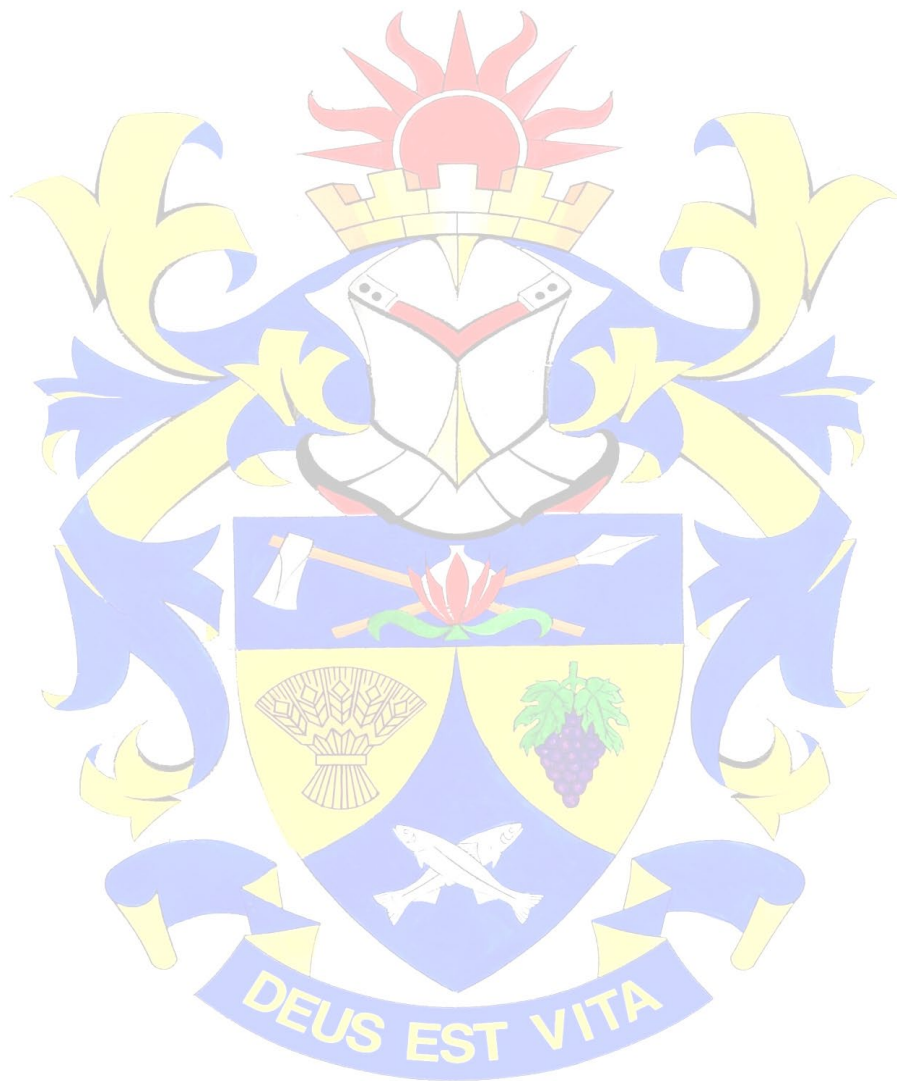
**Approved Date:**

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Municipal Manager (Accounting Officer)

# BERGRIVIER

Munisipaliteit / Municipality



## CASH MANAGEMENT AND INVESTMENT POLICY

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## **1. Introduction**

- 1.1 As trustees of public funds, the Council has an obligation to ensure that cash resources are managed as effectively as possible
- 1.2 Council has a responsibility to manage and invest public funds with great care and is accountable to the community in this regard.
- 1.3 The cash management, banking and investment policy should be aimed at gaining the highest possible return without undue risk during those periods when surplus cash is not needed. In this regard it is essential to have an effective cash management system.
- 1.4 Relevant legislation must be adhered to at all times and where this policy is in conflict with legislation, the relevant legislation will supersede this policy. It is the responsibility of the Municipal Manager and / or the Chief Financial Officer to bring such conflicts to the attention of the Council immediately when he / she become aware of such situations / circumstances and to propose the necessary amendments to this policy to eliminate any practices contrary to legislation.
- 1.5 This policy is a requirement in terms of the provisions of the Municipal Finance Management Act 56 of 2003 (MFMA).

## **2. Regulatory Framework**

- 2.1 The Municipal Finance Management Act, (Act 56 of 2003) (MFMA); and
- 2.2 Treasury regulations in terms of Section 13(1) of the MFMA.

## **3. Objectives**

- 3.1 The objectives of this policy is to:
  - a) Comply with the regulatory framework in terms of the relevant legislation;
  - b) To ensure that the investment of surplus funds forms part of the financial system of the municipality;
  - c) To manage Council's investments within its strategic objectives and invest surplus cash in liquid and creditworthy approved institutions;

- d) To ensure that prudent investment procedures are consistently applied;
- e) To raise appropriate finance, whilst recognising maturity and interest rates, in accordance with budgetary requirement;
- f) To manage the overall cash position of Council's operations;
- g) To ensure that the municipality's bank account(s) are effectively managed and accounted for;
- h) To ensure that receipts of revenue are adequately safeguarded and accounted for; and
- i) To ensure that, overall, an effective cash management plan is established and adhered to at all times.

#### **4. Definitions**

4.1 For the purpose of this policy, the following words will be defined as follows:

<b>MFMA</b>	Municipal Finance Management Act 56 of 2003
<b>SMME</b>	Small, medium and Micro Enterprises as defined in the National Small Business Act as a separate and distinct business entity, including non-governmental organisations, with less than 200 employees and an annual turnover of less than R10 million.
<b>EFT</b>	Electronic Funds Transfer

#### **5. Cash Management**

Adequate and effective cash management is one of the main functions of the Accounting Officer.

##### **5.1 Debtor Collections**

- 5.1.1 All monies due to the municipality must be collected as soon as possible and banked on a daily basis, if practically possible. Cash left in the safe can pose a security risk, could necessitate additional insurance coverage and does not earn any interest. Special deposits should be arranged for larger amounts to make sure this is banked

on the same day that it is received.

- 5.1.2 All monies due to the municipality must be correctly reflected in the debtor system. The following control measures are necessary:
- a) A well managed debtors and banking control system will ensure that funds owed to the municipality are received and banked;
  - b) A review of debt collection performance by comparing the debtors outstanding in relation to total turnover and comparing this to previous financial years.
  - c) All monies collected by the municipality must be banked in the primary bank account of the municipality or a designated bank account in the municipality's name (i.e. a designated revenue account).
  - d) Monies collected by other agency on behalf of the municipality shall be paid over to the municipality daily and deposited in the bank account of the municipality.

## **5.2 Payment to Creditors**

- 5.2.1 The Chief Financial Officer shall ensure that all tenders and quotations invited by and contracts entered into by Bergrivier Municipality stipulate payment terms favourable to Bergrivier, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by Bergrivier. This rule shall be departed from only where there are financial incentives for the municipality to effect earlier payment, and any such departure shall be approved by the Chief Financial Officer or his/her delegate, before any payment is made.
- 5.2.2 In the case of small, micro and medium enterprises (SMME's), where such a policy may cause financial hardship to the contractor, payment may be effected at the conclusion of the month during which the service is rendered or within fourteen days of the date of such service being rendered, whichever is the later. Any such early payment shall be approved by the Chief Financial Officer or his/her delegate, before any payment is made.
- 5.2.3 Special payments to creditors shall only be made with the express approval of the Chief Financial Officer or his/her delegate, who shall be satisfied that there are compelling reasons for making such payments prior to the normal processing.

- 5.2.4 To reduce bank costs with regard to cheque payments it is essential to limit the payment of creditors to one payment per creditor per month if possible and to make use of electronic transfer facilities, subject to strict control measures.
- 5.2.5 When considering the timing of payments to creditors, proper consideration must be given to the conditions of credit / terms of payment offered. In cases where a cash discount is offered for early settlement, the discount, if the relevant time scale is taken into account, will in most cases be more than any investment return from temporarily investing the funds. If discounts are therefore offered for early settlement, they should be assessed and utilised if beneficial.
- 5.2.6 In addition, the normal conditions of credit / terms of payment offered by suppliers should be considered and utilised by timing payments so that they are received by the creditor on the due date.

### **5.3 Receipt of Payments**

- 5.3.1 Receipt of money over the counter:
- a) Every amount of payment received by a cashier or other officer responsible for the receipt of money shall be acknowledged at once by the issue of a **pre-numbered official receipt** or computer generated official receipts; and
  - b) Every receipt form, which is cancelled, will be reattached, in the correct place, in the receipt book and indicated as cancelled. Where computer generated receipts are used, the original receipt must be filed for audit purposes.

### **5.4 Debt**

The municipality may only incur debt in terms of Chapter 6, sections 45 and 46, of the MFMA. The municipality may incur two types of debt, namely short term and long-term debt.

#### **5.4.1 Short Term Debt**

The municipality may incur short-term debt only when necessary to bridge:

- i. Short falls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year;



**OR**

- ii. Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

#### 5.4.2 Long Term Debt

The municipality may incur long-term debt only for the purpose of:

- i. Capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution. section 152 of the Constitution states that the objects of local government are:

- ➔ to provide a democratic and accountable government for local communities;

- ➔ to ensure the provision of services to communities in a sustainable manner;

- ➔ to promote social and economic development;

- ➔ to promote a safe and healthy environment; and

- ➔ to encourage the involvement of communities and community organisations in the matters of local government.

- ii. Refinancing existing long-term debt is subject to the conditions of subsection (5) of section 46 of the MFMA as set out below:

- ➔ the existing long-term debt was lawfully incurred;

- ➔ the re-financing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed;

- ➔ the net present value of projected future payments (including principal and interest payments) after re-financing is less than the net present value of projected future payments before re-financing; and

- ➔ the discount rate used in projecting net present value referred to in paragraph (c), and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

## **6. Banking**

### **6.1 The primary bank account**

- 6.1.1 In terms of section 7(1) of the MFMA, the municipality must open and maintain at least one bank account in its name. All money received by the municipality must promptly be paid into its bank account or accounts. The municipality may not open a bank account abroad, with an institution that is not registered as a bank in terms of the Banks Act 94 of 1990, or otherwise than in the name of the municipality.
- 6.1.2 The municipality must have a primary bank account. If the municipality only has one bank account, that account is its primary bank account. However, if the municipality has more than one bank account, it must designate one of its bank accounts as the primary bank account.
- 6.1.3 The Municipal Manager must submit to the National Treasury, Provincial Treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held and the type and number of the account.
- 6.1.4 If the municipality decides to change its primary bank account, it may do so only after the Municipal Manager has informed the National Treasury, Provincial Treasury and the Auditor-General, in writing, at least 30 days before effecting the change.
- 6.1.5 The following monies must be deposited into the municipality's primary bank account:
- i. All allocations to the municipality, including those made to it for transmission to an external service-delivery mechanism assisting the municipality in the performance of its functions;
  - ii. All income received by the municipality on its investments;
  - iii. All income received by the municipality in connection with its interest in any municipal entity, including dividends;
  - iv. All money collected by an external-delivery mechanism on behalf of the municipality and
  - v. Any other monies as the Minister of Finance may prescribe by regulation.

- 6.1.6 The transfer of an allocation of money by another organ of state in the national, provincial or local sphere of government to the municipality must be made through the municipality's primary bank account.

## **6.2 Administration**

- 6.2.1 Section 9 of the MFMA requires that the Municipal Manager must submit to the Provincial Treasury and the Auditor-General, in writing, at least 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account.
- 6.2.2 Annually before the start of a financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account must be submitted, in writing, to the Provincial Treasury and the Auditor-General.
- 6.2.3 The Municipal Manager must administer all the municipality's bank accounts and is accountable to the Council for the municipality's bank accounts, but may delegate these duties to the Chief Financial Officer.

## **6.3 Withdrawal of funds**

- 6.3.1 In terms of section 11(1) of the MFMA, only the Municipal Manager, the Chief Financial Officer or another senior financial official acting on written authority from the Municipal Manager, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts.
- 6.3.2 Money may be withdrawn from the municipality's bank accounts only:
- i. To defray expenditure appropriated in terms of an approved budget;
  - ii. To defray expenditure authorised by the MEC for finance if the municipality has failed to approve a budget before the end of the financial year, until a budget is approved;
  - iii. To defray unforeseeable and unavoidable expenses for which no provision has been made in the budget that was authorised by the councillor responsible for financial matters in emergency or other exceptional circumstances;
  - iv. In the case of a bank account opened for the purpose of a relief, charitable or trust fund established by the Council, to make

payments from the account for the purpose for which the fund was established;

- v. To pay over to a person or organ of state money received on behalf of that person or organ of state, including money collected by the municipality on behalf of that person or organ of state by agreement or any insurance or other payments received by the municipality for that person or organ of state;
- vi. To refund money incorrectly paid into a bank account;
- vii. To refund guarantees, sureties and security deposits;
- viii. For cash management and investment purposes in accordance with this policy;
- ix. To defray increased expenditure in terms of section 31 of the MFMA; and
- x. For such other purposes as may be described, including emergency purposes, as may be prescribed by regulation, instruction or guidelines issued by the National Treasury.

6.3.3 The Municipal Manager may not authorise any official other than the Chief Financial Officer to withdraw money or to authorise the withdrawal of money from the municipality's primary bank account if the municipality's primary bank account is separate from its other bank accounts.

6.3.4 The Municipal Manager must, within 30 days after the end of each quarter, table a consolidated report of all withdrawals made in terms of paragraph 6.3.2 (ii) to (x) during that quarter to Council and submit a copy of the report to the Provincial Treasury and the Auditor-General.

#### **6.4 Relief, Charitable and Trust Funds**

6.4.1 In terms of section 12 of the MFMA, no political structure or office-bearer of a municipality may set up a relief, charitable, trust or other fund of whatever description except in the name of the municipality. Only the municipal manager may be the Accounting Officer of any such fund.

6.4.2 A municipality may in terms of section 7 of the MFMA open a separate bank account in the name of the municipality for the purpose of a relief, charitable, trust or other fund.

- 6.4.3 Money received by the municipality for the purpose of a relief, charitable, trust or other fund must be paid into a bank account of the municipality, or if a separate bank account has been opened in terms of 6.4.2 above, into that account.
- 6.4.4 Money in a separate account opened, in terms of 6.4.2 above, may be withdrawn from the account without appropriation in terms of an approved budget, but only:
- i. by or on the written authority of the accounting officer acting in accordance with decisions of the municipal council; and
  - ii. for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

## **6.5 Banking Arrangements**

- 6.5.1 The Municipal Manager is responsible and accountable for the management of the municipality's bank account(s). The Municipal Manager may delegate such functions, duties and powers in relation to the management of the municipality's bank account(s) as may be necessary for the effective and efficient administration thereof.
- 6.5.2 The Municipal Manager may sign any document, relating to the management of the municipality's bank account(s), provided that under no circumstances shall only one person sign a cheque of the municipality.
- 6.5.3 The Chief Financial Officer will identify from time to time employees who can approve EFT payments on behalf of the municipality. A minimum of two employees must approve EFT payments.
- 6.5.4 In compliance with the requirements of good governance, the Municipal Manager may request to open a separate bank account for:
- i. Ordinary operating purposes;
  - ii. The external finance fund;
  - iii. The asset financing fund;
  - iv. Capital receipts in the form of grants, donations or contributions from whatever source; and
  - v. Any other reserves as per Funding and Reserves Policy.

- 6.5.5 In determining the number of accounts to be maintained, the Municipal Manager, in consultation with the Chief Financial Officer, shall consider the following:
- i. The likely number of transactions affecting each of the accounts referred to;
  - ii. The cost of maintaining more than one bank account;
  - iii. The capacity of the Directorate: Financial Services to perform the accounting functions relevant to bank accounts.
- 6.5.6 Unless there are compelling reasons to do otherwise and the Council expressly so directs, the Municipality's bank accounts shall be maintained with the same banking institution to ensure the pooling of balances for purposes of determining the interest payable to the municipality on any credit balance.
- 6.5.7 The Municipal Manager shall invite bids for the placing of the municipality's bank accounts in accordance with the Supply Chain Management Policy. Any new banking arrangements shall take effect from the first day of the financial year ensuing after the bid has been awarded. However, the Municipal Manager may invite such tenders at any earlier stage, if he/she, after consultation with the Chief Financial Officer, is of the opinion that the services offered by the municipality's current banking institution(s) are materially defective or not cost-effective.

## **6.6 Collection and Banking of Revenue**

- 6.6.1 The Municipal Manager must implement and enforce the municipality's credit control and debt collection policy and by-laws and establish effective administrative mechanisms, processes and procedures to collect money that is due to the municipality. All monies due to the municipality must be collected as soon as possible, either before or on the due date.
- 6.6.2 The Directorate: Financial Services must receive all payments. No cash payment may be accepted unless an official receipt can be issued immediately.
- 6.6.3 The Chief Financial Officer must ensure that all monies received by any department other than the Directorate: Financial Services are regularly paid to his/her department, or alternatively, deposited into the bank account of the municipality designated by the Chief Financial Officer.

- 6.6.4 All monies received must be deposited in the municipality's bank account(s) not later than the first working day after its receipt.
- 6.6.5 In respect of monies received at smaller cashiers offices of the municipality (i.e. where receipts are small amounts), the Municipal Manager:
- i. Shall make appropriate arrangements to ensure that all monies received are deposited into the municipality's bank account, as designated by the Chief Financial Officer, as often as practicably possible, or alternatively, the risk of keeping cash on the premises should be adequately addressed;
- 6.6.6 Every departmental head must, without delay, notify the Chief Financial Officer in writing of any monies due to the municipality and the reasons why such monies are owed must be explained in such notification. All amounts owing to the municipality must be levied by way of a debit in the applicable debtors system.
- 6.6.7 The Chief Financial Officer shall ensure that:
- i. All revenues are properly accounted for; and
  - ii. The municipality's accounting system recognises revenue when it is earned and accounts for debtors and receipts of revenue.

## **6.7 Permissible Methods of Payment**

- 6.7.1 A debtor may settle his/her debt with the municipality by:
- i. Cash payment at a pay point of the municipality;
  - ii. Stop-order in favour of the municipality against his/her bank account; or
  - iii. Direct deposit or EFT into the municipality's bank account; or
  - iv. Credit or Debit Card
- 6.7.2 In order to reduce the risk of theft and fraud, the Chief Financial Officer shall encourage debtors to effect payment by any method in paragraph 6.7.1 (IV) and (v).

- 6.7.3 A debtor who settles his/her debt to the municipality using a payment option other than that stipulated in paragraph 6.7.1 (i) shall ensure that his/her account number with the municipality is clearly indicated on any deposit slip or other confirmation of payment issued.

## **6.8 Receipts**

- 6.8.1 The receipt of all monies must immediately be recorded by means of a pre-numbered / system generated official receipt.
- 6.8.2 No alterations shall be made to a receipt or other form of acknowledgement of payment.
- 6.8.3 Any error that appears on a receipt must be corrected by issuing a new receipt and the cancellation of the erroneous one.
- 6.8.4 Every cancelled receipt must be returned to its proper place in the receipt book, or in the absence of a receipt book, file according to the instructions of the Chief Financial Officer.
- 6.8.5 Any cash surplus found at any time must immediately be declared, a receipt issued for the amount of such surplus and deposited without delay into the municipality's bank account.
- 6.8.6 Any cash deficits must immediately be reported and made good in accordance with the instructions of the Chief Financial Officer.

## **6.9 Security of cash at pay points**

- 6.9.1 The municipal manager shall:
- i. Regularly, in co-operation with the Chief Financial Officer and the Internal Auditor, assess the impact and likelihood of loss to monies received due to theft, robbery or fraud or its destruction; and
  - ii. Implement such measures as may be necessary to reduce the risk of loss through theft, robbery or fraud or its destruction.
- 6.9.2 Nobody shall instruct or permit an employee who is responsible for receiving payments made to the municipality not to comply with any security measures or procedures prescribed by the Municipal Manager in terms of paragraph 6.9.1 (ii).



6.9.3 Whenever loss or destruction of monies received occurs, the Chief Financial Officer shall report the loss to the Internal Auditor who shall:

- i. As soon as practicable after he/she became aware of the matter:
  - ➔ Investigate circumstances of the loss or destruction; and
  - ➔ Determine the amount of the loss or damage the municipality suffered;
- ii. Take appropriate to:
  - ➔ Recover any loss the municipality may have suffered; and
  - ➔ Prevent a recurrence of the event; and
- iii. In appropriate cases:
  - ➔ Institute disciplinary action; and
  - ➔ Report the matter to the South African Police Services.

6.9.4 An employee who fails or refuses to implement or to comply with any security measures and procedures prescribed by the Municipal Manager in terms of paragraph 6.9.1 (ii) shall be guilty of disciplinary offence. In any disciplinary enquiry pursuant to paragraph 6.9.3 (iii) it shall not be a defence for an employee or a councillor if it is found that he/she did not comply with any security measures or procedures prescribed by the Municipal Manager.

#### **6.10 Unclaimed Deposits**

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue.

### **7. Investments**

#### **7.1 General**

7.1.1 Council may only invest surplus funds with deposit taking institutions registered in terms of the Banks Act 94 of 1990, for terms not exceeding one year in anticipation of cash flow expectations. From time to time, with prior Council approval, investments can exceed one

year and be made at other institutions/instruments as approved in the National Treasury regulations.

7.1.2 The way in which surplus funds and other monies of the Municipality can be invested is controlled in terms of section 13 of the MFMA.

7.1.3 Council will only make investments with approved institutions which have an A rating.

## **7.2 Cash Flow Estimates**

7.2.1 Before any money can be invested, the Municipal Manager, in consultation with the Chief Financial Officer, has to determine whether there will be surplus funds available. The term of investment should also be investigated to ensure that surplus cash would be invested for the period it is not required.

7.2.2 Prior to making investments other than for short-term investments, it is essential that cash-flow estimates be compiled monthly for at least the forthcoming twelve months.

7.2.3 When compiling cash-flow estimates on a monthly basis, it is essential that the Municipal Manager / Chief Financial Officer are aware of all expected cash-flow and when it is to take place. The timing with regard to cash outflows should be determined as far as possible by reference to both the operational and the capital budgets.

## **7.3 Investment Ethics**

7.3.1 In dealing with financial institutions, the following ethical principles must be observed:

- i. Under no circumstances may inducements to invest be accepted;
- ii. Interest rates quoted by one institution must not be disclosed to another institution;
- iii. The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.

## **7.4 Investment Principles**

The following guiding principles are to be adhered to in order to facilitate the administration of Council's investment portfolio.

7.4.1 Limit Exposure to a Single Institution:

- i. Investment of funds, where this involves large amounts, should preferably be distributed over more than one institution in order to limit Council's risk exposure.

7.4.2 Risk and Return:

- i. As a general principle, it must be accepted that the greater the return, the greater the risk.

7.4.3 Borrowing for Re-Investment:

- i. Council should refrain from borrowing monies for the purpose of re-investment, as this is tantamount to speculation with public funds.

7.4.4 Nominee Accounts:

- i. All moneys shall be invested directly with the relevant institutions. On no account may moneys be placed in a nominee account.

**7.5 General Investment Practice**

7.5.1 General

- i. Prior to an investment being made at least three written quotations must be obtained from financial institutions for various forms of investment, investment terms and rates of interest. Acceptance of the above must be governed in order of priority by:
  - ➔ Preservation and safety of principal;
  - ➔ Liquidity;
  - ➔ Yield;
  - ➔ Where appropriate, match dates of repayment of maturing loans.
- ii. Institutions should be advised that, in submitting quotations, they must offer their best rates of interest and that no further negotiation or discussion will be entered into with them after they have submitted their quotation.

7.5.2 Payment of Commission:

- i. A certificate shall be issued in respect of each and every investment made by the financial institution receiving the investment and no payment of any commission or payment in kind will be made to any party in respect of the investment so made.

7.5.3 Internal Investments:

- i. Before planning to invest funds externally, consideration must be given to whether the funds may be utilised at an equivalent rate to substitute external borrowing as there is normally a margin between the rate at which Council may borrow funds and the rate at which investments may be made over similar periods.

7.5.4 Cash at Bank:

- i. When funds are held in a current account, it is a good business practice to operate a call account. The overriding principle is that funds in the current account are to be kept at an absolute minimum.

7.5.5 Credit Worthiness:

- i. Prior to investing in **all smaller** registered financial institutions, the Investment Committee must ensure that the Council is not over-exposed and should satisfy itself as to the credit-worthiness **as per Moodys and Standard & Poor credit ratings that's applicable to the banks in South Africa. and previous track record of the institution before placing funds.**

7.5.6 Control over Investments:

- i. A proper record must be maintained of all investments made indicating at least the institution, fund, interest rate, maturing date and purpose of investment.
- ii. The Chief Financial Officer must retain all quotations received for record and audit purposes.
- iii. Interest must be correctly calculated, received and recorded timeously.
- iv. All investment certificates are to be kept in a securities file which shall be safeguarded in a fireproof safe.

- v. In respect of grant funds, a separate file must be kept of the letter of grant and other pertinent information. Regular reports must be submitted to all grant agencies.
- vi. The Chief Financial Officer must compile and will be responsible for the maintenance of an Investment Register complying with audit requirements.

#### 7.5.7 Reporting

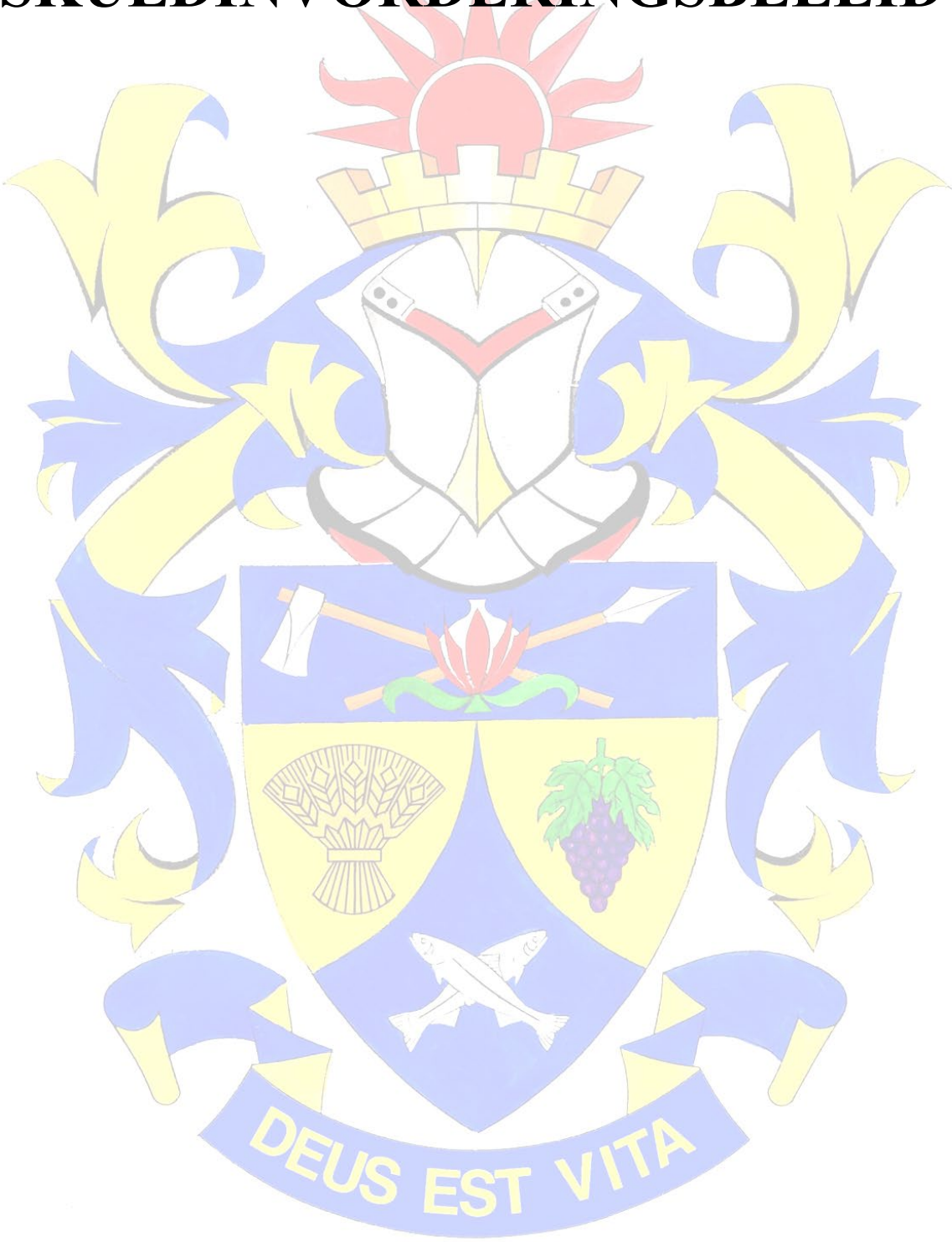
- vii. The Chief Financial Officer should every months submit a report to the Council on the Council's investment portfolio, as in the format prescribed by National Treasury.

### **8. INVESTMENT DIVERSIFICATION**

- 8.7.1 Without limiting the Accounting Officer to any specific amount or percentage of investments, it is hereby established that investments made by the municipality should be diversified as much as possible between different institutions, maturity dates and types, but nothing prevents the Accounting Officer from investing more cash with an institution than by another institution with due regards to the standard of care and objectives set in this policy. Not more than 50% of the total investments should be invested with one institution when making a new investment.
- 8.7.2 Having determined that funds are available for investment and the maximum period for which the funds may be invested, the Chief Financial Officer (CFO) (or his delegated nominee in the treasury and budget section) needs to consider the manner in which the investments are placed. As rates can vary according to the money market perception related to the term of the investment, there is merit in obtaining quotes for periods within the maximum determined.

BERGRIVIER MUNISIPALITEIT

# KREDIETBEHEER & SKULDINVORDERINGSBELEID



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## INLEIDING

Ingevolge artikel 96 van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 moet 'n Munisipaliteit –

- alle gelde invorder wat aan hom verskuldig en betaalbaar is, behoudens die bepalings van die Wet en enige ander toepaslike wetgewing; en
- vir dié doel, 'n kredietbeheer- en skuldinvorderingsbeleid aanneem, in standhou en implementeer wat nie strydig is nie met sy eiendomsbelastingbeleid en sy tariefbeleid en wat aan die bepalings van die Wet voldoen.

Ten einde uitvoering te gee aan die voorafgaande bepalings van die Wet het die raad van die Munisipaliteit Bergrivier 'n kredietbeheer- en skuldinvorderingsbeleid, soos hierna uiteengesit, aanvaar.

## HOOFSTUK 1

### WOORDOMSKRYWING

1. Vir die doeleindes van hierdie beleidsdokument het enige woord of uitdrukking waaraan 'n bepaalde betekenis geheg is in die Wet, dieselfde betekenis, tensy uit die samehang anders blyk, en beteken -

**“agterstallige bedrae”** enige bedrag verskuldig en betaalbaar aan die Munisipaliteit wat nie voor of op die datum van betaling betaal is nie;

**“Direkteur: Finansiële Dienste”** 'n persoon wat deur die raad in dié hoedanigheid aangestel is om die raad se finansies te administreer en sluit enige persoon in –

(1) wat in sodanige pos waarneem;

(2) aan wie die Direkteur: Finansiële Dienste 'n bevoegdheid, funksie of verpligting gedelegeer het ten opsigte van sodanige gedelegeerde bevoegdheid, funksie of verpligting;

**“datum van betaling”** soos omskryf in paragraaf 6 hiervan ten opsigte van die onderskeie gelde, tariewe en belasting betaalbaar aan die Munisipaliteit;

**“eienaar”** met betrekking tot onroerende goed—

(1) die persoon by wie die regstitel daarvan berus;

(2) in die geval waar die persoon by wie die regstitel daarvan berus, insolvent of oorlede is, of aan enige vorm van wetlike diskwalifikasie onderhewig is, dié persoon in wie die administrasie of beheer van sodanige onroerende goed berus as kurator, trustee, eksekuteur, administrateur, geregtelike bestuurder, likwidateur of enige ander wetlike verteenwoordiger;



- (3) in enige geval waar die raad nie in staat is om die identiteit van so 'n persoon te bepaal nie, 'n persoon wat geregtig is op die voordelige gebruik van sodanige onroerende goed;
- (4) in die geval van onroerende goed waarvoor 'n huurooreenkoms van 30 jaar of langer aangegaan is, die huurder daarvan;
- (5) met betrekking tot –
  - (i) 'n gedeelte grond afgebaken op 'n deeltitelplan en wat geregistreer is ingevolge die Wet op Deeltitels, 1986 (Wet No. 95 van 1986), die ontwikkelaar of die bestuursliggaam ten opsigte van die gemeenskaplike eiendom;
  - (ii) 'n gedeelte grond soos gedefinieer in dié Wet, die persoon in wie se naam dié gedeelte geregistreer is ingevolge 'n deeltitelakte, insluitende die wettige aangestelde verteenwoordiger van sodanige persoon;
- (6) enige regspersoon insluitende, maar nie beperk nie tot:
  - (i) 'n maatskappy geregistreer ingevolge die Wet op Maatskappye, 1973 (Wet No 61 van 1973), 'n trust *inter vivos*, trust *mortis causa*, 'n beslote korporasie geregistreer ingevolge die Wet op Beslote Korporasies, 1984 (Wet No 69 van 1984), en 'n vrywillige assosiasie;
  - (ii) enige staatsdepartement;
  - (iii) enige raad of bestuursliggaam ingestel ingevolge enige wetgewing van toepassing in die Republiek van Suid-Afrika; en
  - (iv) enige ambassade of ander buitelandse entiteit;

**“Munisipale Bestuurder”** die persoon wat deur die raad in dié hoedanigheid aangestel is ingevolge artikel 82 van die Wet op Plaaslike Regering: Munisipale Strukture Wet No 117 van 1998 en sluit enige persoon in –

- (1) wat in sodanige pos waarneem;
- (2) aan wie die Munisipale Bestuurder 'n bevoegdheid, funksie of verpligting gedelegeer het ten opsigte van sodanige gedelegeerde bevoegdheid, funksie of verpligting;

**“munisipale dienste”** die voorsiening van water, die voorsiening van elektrisiteit, die verwydering van huisvuil, die wegdoen van rioolvuil of enige een of kombinasie van dié dienste;

**“Munisipaliteit”** die Munisipaliteit Bergrivier

**“perseel”** enige gedeelte grond, geleë binne die regsgebied van die munisipaliteit, waarvan die buite grense afgebaken is op:

- (1) 'n algemene plan of diagram wat geregistreer is ingevolge die Opmetingswet, 1927 (Wet no. 9 van 1927) of die Registrasie van Aktes Wet, 1937 (Wet no. 47 van 1937) of;
- (2) 'n deeltitelplan geregistreer ingevolge die Wet op Deeltitels, 1986 (Wet no. 95 van 1986);

**“raad”** die munisipale raad van die Munisipaliteit Bergrivier

**“rekening”** sluit in-

- (1) heffings, bobelasting of dienstegelde ten opsigte van die volgende dienste:
  - elektrisiteitsverbruik;
  - waterverbruik;
  - vullisverwydering;
  - riool dienste;
- (2) eiendomsbelasting;
- (3) huurgeld;
- (4) lenings paaieimente;
- (5) rente op agterstallige bedrae;
- (6) enige ander heffings en gelde wat regtens aan die Munisipaliteit verskuldig is;

en het **die “munisipale rekening”** 'n ooreenstemmende betekenis;

**“standaard rentekoers”** 'n rentekoers wat een persent hoër is as die rentekoers wat die Munisipaliteit aan sy bank moet betaal ten opsigte van 'n oortrekking;

**“Wet”** die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet 32 van 2000) soos van tyd tot tyd gewysig;

## HOOFSTUK 2

### KLIËNTESORG EN – BESTUUR

#### **2.1 KOMMUNIKASIE EN DIE OORDRA VAN INLIGTING**

2.1.1 Ten einde uitvoering aan die bepalings van artikel 95(a), (b) en (c) van die Wet te gee, sal die Munisipaliteit alles binne sy vermoë doen om –

- 'n kliëntediensforum daar te stel waar verteenwoordigers van die gemeenskap en lede van die raad mekaar kan ontmoet;
- wyksvergaderings te hou waar verteenwoordigers van die Munisipaliteit en ander diensverskaffers met wykslede en hul wyksraadslid kan beraadslaag;
- sorg te dra dat gebruikers van munisipale dienste en/of enige ander diens, belastingbetalers en inwoners in die algemeen, behoorlik ingelig word met betrekking tot dienslewering en in besonder die koste van verskaffing van dienste.

Om dié oogmerke te bereik -

- sal daar, onder meer, gedurende die begrotingsproses openbare vergaderings belê word waarby politieke partye, belastingbetalers- en inwonersverenigings, gemeenskapsorganisasies, sakekamers, die publiek in die algemeen en enige ander belanghebbende partye betrek sal word en waartydens begrotingsprioriteite, -beginsels en -raamwerke ontleed en bespreek sal word;
- sal daar van tyd tot tyd behoefte-identifisering werkswinkels in wyke gehou word met die doel om-
  - (1) die behoeftes in die wyke wat wettiglik die verantwoordelikheid van die Munisipaliteit is, te identifiseer;
  - (2) die gemeenskap by die prioritisering van sodanige behoeftes te betrek;
  - (3) die gemeenskap te betrek by die Munisipaliteit se beplanning van projekte en wat die Munisipaliteit doen en wat ander regeringsvlakke doen; en
  - (4) gemeenskappe in te lig wat die vlakke van betaling en nie-betaling in so 'n wyk is ten opsigte van Munisipale dienste, belastings en ander gelde verskuldig aan die Munisipaliteit en om strategieë in dié verband te bepaal.
- sal daar nadat die konsepbegroting opgestel is, verdere openbare vergaderings gehou word om die implementering van tariewe en die wyse waarop die begroting aangewend sal word, bespreek word;
- sal wyksraadslede aangemoedig word om gereelde wyksvergaderings te hou waar, onder meer, in besonder aandag verleen sal word aan klantesorg- en skuld-kwessies.

### 2.1.2 Ander metodes van kommunikasie sal insluit-

- die gebruik van munisipale rekeninge as 'n hoogs effektiewe metode van kommunikasie om allerhande soort inligting oor te dra;
- die verspreiding van 'n kwartaallikse nuusbrief waarin prominensie verleen sal word aan klantesorg- en skuldkwessies;
- aanmoediging van die openbare pers om prominensie te verleen aan die Munisipaliteit se klantesorg- en skuldkwessies en om die pers aan te moedig om raadsvergaderings by te woon waar hierdie kwessies bespreek word.
- Elektroniese diens kan gebruik word om inligting aan verbruikers deur te gee

## 2.2 METING VAN MUNISIPALE DIENSTE

2.2.1 Die Munisipaliteit sal op 'n deurlopende grondslag sorg dat elektriese energie en water wat aan verbruikers voorsien word, deur middel van akkurate en verifieerbare metingstelsels gemeet word soos en wanneer hierdie dienste gelewer word.

2.2.2 Meters sal sover as wat moontlik is, met tussenposes van een maand gelees word.

2.2.3 Indien 'n perseel waarop metertoerusting geïnstalleer is, gesluit is, of vir welke rede ook al ontoeganklik is vir die beampte wat verantwoordelik daarvoor is om die meters te lees, sal die Munisipaliteit geregtig wees om 'n rekening gebaseer op die geskatte gebruik, soos deur die Direkteur: Finansiële Dienste geskat, aan die verbruiker te lewer. Wanneer 'n meter vir meer as vier (4) keer binne 'n periode van 12 maande nie toeganklik is nie, mag die Munisipaliteit die metertoerusting op koste van die verbruiker geskuif word om toeganklik te wees.

2.2.4 Waar 'n meter geïnstalleer is, word beskou dat 'n persoon van die elektriese energie of die hoeveelheid water voorsien is wat deur die meter geregistreer word; met dien verstande dat vir die tydperk wat 'n meter buite werking is, die elektriese energie of die water gelewer aan so 'n persoon bereken sal word op die grondslag van die gemiddelde hoeveelheid wat onafgebroke gelewer is vir die drie maande wat die voormelde tydperk voorafgaan.

2.2.5 Waar 'n verbruiker vir 'n geskatte verbruik ooreenkomstig paragraaf 2.2.3 aangeslaan word, moet die verskil tussen werklike verbruik en die geskatte verbruik verreken word sodra 'n gemeterde lesing verkry is.

2.2.6 Indien 'n verbruiker verlang dat 'n spesiale meterlesing geneem word, kan so 'n lesing verkry word teen betaling van 'n voorgeskrewe tarief.

## 2.3 MUNISIPALE REKENINGE

Die Munisipaliteit sal sover as wat dit moontlik is, verseker dat 'n persoon wat aanspreeklik is vir betaling van munisipale dienste en eiendomsbelasting, akkurate

rekenings op 'n maandelikse grondslag kry, waarop die volgende besonderhede aangedui word:

- alle bedrae uitstaande en die balanse oorgedra;
- bedrae verskuldig;
- totale bedrag betaalbaar;
- meterlesing.

## **2.4 NAVRAE, APPËLLE EN DIENSKLAGTES**

2.4.1 Indien 'n persoon oortuig is dat sy of haar rekening vir munisipale dienste onakkuraat is, kan hy of sy 'n versoek aan die Munisipaliteit rig om sodanige rekening te hersien.

2.4.2 Geldige redes moet aangevoer waarom verbruiker dink rekening is onakkuraat

2.4.3 Betaling van toetsfooie vir meter apparaat moet gemaak word alvorens daar enige verdere stappe geneem kan word (Waar die metingsapparaat in twyfel getrek word)

2.4.4 In die tussentyd moet die persoon 'n bedrag betaal wat gelyk is aan die gemiddelde verbruik vir die voorafgaande drie maande, waar die geskiedenis van sodanige rekening beskikbaar is. Waar geen sodanige geskiedenis beskikbaar is nie, moet die betrokke persoon 'n geskatte bedrag, soos deur die Direkteur: Finansiële Dienste bepaal, voor die betaaldatum betaal en totdat die aangeleentheid opgelos is.

2.4.5 Die betrokke afdeling in die Munisipaliteit moet binne een maand vanaf datum van ontvangs van so 'n versoek, die aangeleentheid ondersoek en die betrokke persoon van die uitslag van so 'n ondersoek verwittig.

2.4.6 Versuim om voor of op datum van betaling die bedrag soos by paragraaf 2.4.4 bepaal te vereffen, stel so 'n persoon daaraan bloot dat sy elektrisiteit- en/of watervoorsiening afgesluit sal word.

2.4.7 'n Persoon mag appèl aanteken teen die bevinding van die Munisipaliteit waarna in paragraaf 2.4.5 verwys word.

2.4.8 'n Appèl ingevolge paragraaf 2.4.7 moet gemaak en aan die Munisipale Bestuurder besorg word binne 21 dae nadat die appellant bewus geword het van die bevinding waarna in paragraaf 2.4.5 verwys word en moet –

- (1) die redes uiteensit vir die appèl, en
- (2) indien toepaslik die gelde insluit wat deur die Munisipaliteit vasgestel is vir die toets van 'n meettoestel.

## **2.5 BETAALFASILITEITE**

2.5.1 Die Munisipaliteit sal strategies geleë toeganklike betaalkantore en kassiers-betaalpunte regoor sy regsgebied voorsien en in stand hou in aggenome die beskikbaarheid van publieke vervoer asook konsentrasie van verbruikers en afstand vanaf naaste betaalpunt en kostes daaraan verbonde.

- 2.5.2 Die Munisipaliteit kan enige alternatiewe metodes van betaling ondersoek en implementeer om betalings meer toeganklik te maak vir die publiek
- 2.5.3 Waar gebruik gemaak word van alternatiewe betaalfasiliteite, rus die onus op die persoon wat van sodanige fasiliteite gebruik maak om bewys van betaling te lewer en aanvaar die Munisipaliteit nie aanspreeklikheid vir nie-ontvangs van sodanige betalings of vir foutiewe toewysings indien sodanige foutiewe toewysings te wyte is aan die nalate van sodanige persoon nie.
- 2.5.4 Die munisipaliteit erken betalings (elektroniese oorplasings/direkte deposito's) wanneer dit verskyn op die Raad se bankrekening voor/op die betaaldatum.
- 2.5.5 Waar betaling van gelde verskuldig by wyse van 'n direkte deposito op die Munisipaliteit se goedgekeurde bankrekening gedoen word, rus die onus op die skuldenaar om die Munisipaliteit nie later nie as die datum van betaling van sodanige gelde soos beoog by paragraaf 6.2 hiervan skriftelik of per faksimilee van sodanige deposito te verwittig.

## 2.6 TOEWYSING VAN INKOMSTE

Ooreenkomstig artikel 102 van die Wet mag 'n Munisipaliteit-

- Alle dienste op 'n munisipale rekening konsolideer, en dienste staak waar enige diens op die rekening uitstaande is;
- enige afsonderlike rekenings van persone wat vir betalings aan die Munisipaliteit aanspreeklik is, konsolideer; en
- 'n betaling deur so 'n persoon krediteer teen enige rekening van daardie persoon.

Betalings wat deur die Munisipaliteit ontvang word, sal derhalwe in die volgende orde van voorkeur toegewys word:-

- (1) rente op agterstallige bedrae;
- (2) betalings wat ingevolge 'n ooreenkoms aan die Munisipaliteit in maandelikse paaielemente afbetaal word;
- (3) rioolgelde;
- (4) huurgelde ten opsigte van behuising en ander hure;
- (5) leningterugbetalings;
- (6) diverse gelde en heffings;
- (7) vullisverwyderingsgelde;
- (8) water;
- (9) elektrisiteit;
- (10) beskikbaarheidsgelde;
- (11) eiendomsbelasting.

## HOOFSTUK 3

### KREDIETBEHEER- EN SKULDINVORDERINGSMAATREËLS

#### **3. AANSOEK VIR MUNISIPALE DIENSTE**

3.1 Niemand sal geregtig wees op toegang tot Munisipale dienste of mag Munisipale dienste gebruik of daarvan gebruik maak nie, tensy aansoek op 'n voorgeskrewe vorm gedoen is en die Munisipaliteit sodanige aansoek goedgekeur het nie.

3.2 Indien munisipale dienste, by die inwerkingstelling van hierdie beleid of te enige ander tyd, voorsien word terwyl geen geskrewe ooreenkoms vir die voorsiening daarvan bestaan nie, sal dit geag word dat –

- (1) 'n ooreenkoms ooreenkomstig die bepalings van paragraaf 3.6 wel bestaan; en
- (2) die standaard of vlak van diens wat aldus gelewer word die standaard of vlak van diens te wees wat die verbruiker of die persoon wat daarvan gebruik maak, verkies;

tot tyd en wyl die Munisipaliteit en die betrokke persoon 'n ooreenkoms soos beoog by paragraaf 3.1 aangegaan het.

3.3 Die Munisipaliteit moet by ontvangs van 'n aansoek vir die voorsiening van munisipale dienste, die betrokke aansoeker in kennis stel van die verskillende vlakke of standarde van dienste en die toepaslike tariewe en/of gelde betaalbaar ten opsigte van elke vlak van diens.

3.4 Die Munisipaliteit sal slegs verplig wees om 'n spesifieke vlak van 'n munisipale diens wat versoek word, te voorsien indien dit reeds in normale loop van sake deur die Munisipaliteit gelewer word en dan slegs indien die Munisipaliteit oor die middele en die kapasiteit beskik om sodanige vlak van 'n diens te voorsien.

3.5 'n Persoon mag te enige tyd aansoek doen om die vlak van 'n Munisipale diens, waartoe oorspronklik by ooreenkoms ooreengekom is, te verander, met dien verstande dat die vlak van diens wat versoek word, beskikbaar is en dat die koste en uitgawe verbonde aan die verandering van die vlak van sodanige diens deur die aansoeker betaal word.

3.6 Die aansoekvorm waarna in paragraaf 3.1 verwys word, behoorlik voltooi en onderteken deur die aansoeker en die Munisipaliteit se goedkeuring daarvan sal 'n bindende ooreenkoms tussen die Munisipaliteit en sodanige aansoeker uitmaak en sal in werking tree op die datum aangedui op sodanige vorm.

3.7 By voltooiing van 'n aansoekvorm vir munisipale dienste, sal die Munisipaliteit seker maak dat die dokument en die proses van interaksie met die eienaar, verbruiker of enige ander persoon wat aldus aansoek doen, deur sodanige persoon verstaan word en sal hy of sy bewus gemaak word van die opsie om as hulpbehoewende huishouding te registreer.

3.8 In die geval van 'n ongeletterde of 'n dienooreenkomstig gestremde persoon, sal die Munisipaliteit die nodige stappe neem om seker te maak dat die persoon bewus is van en die inhoud van 'n aansoekvorm begryp en dat hy of sy bygestaan word met die voltooiing daarvan.

3.9 Indien die Munisipaliteit –

- (1) 'n aansoek vir die voorsiening van munisipale dienste of 'n spesifieke diens of vlak van 'n diens, weier;
- (2) nie in 'n posisie is om sodanige munisipale diens of vlak van 'n diens op die datum waarop dit versoek word, te lewer nie;
- (3) nie in 'n posisie is om hoegenaamd sodanige munisipale diens of vlak van 'n diens te lewer nie;

sal die Munisipaliteit binne 'n redelike tyd, die aansoeker verwittig van sodanige weiering of onvermoë om die diens te lewer, die redes daarvoor en indien van toepassing wanneer die Munisipaliteit in 'n posisie sal wees om sodanige munisipale diens of 'n spesifieke diens of vlak van 'n diens, te lewer.

3.10 Indien 'n aansoeker 'n uitstaande bedrag het wat verskuldig en betaalbaar aan die munisipaliteit is, moet die agterstallige betaal word; of 'n ooreenkoms vir die betaling van agterstallige bedrag moet gesluit word met die munisipaliteit voordat 'n aansoek om dienste goedgekeur kan word.

3.11 Alle aansoeke vir bouplanne en grondgebruike sal slegs oorweeg word indien die aansoeker se munisipale dienste en eiendomsbelasting rekeninge op die genoemde eiendom te volle vereffen is. Die Direkteur: Finansiële Dienste kan sy diskresie uitoefen om 'n aansoek af te teken op aanbeveling van die Bestuurder Inkomste na oorweging van die meriete van die aansoek, ongeag of die rekening ten volle vereffen is al dan nie. Volledige redes moet die aansoek vergesel.

Volledige munisipale rekeninge moet elke aansoek vergesel en moet afgeteken word deur die Direkteur: Finansiële Dienste of sy gevolmagtigde.

#### **4. AANSPREEKLIKHEID VIR BETALING VAN GELDE VERSKULDIG EN BETAALBAAR AAN DIE MUNISIPALITEIT**

4.1 Die persoon aanspreeklik vir die betaling van gelde verskuldig en betaalbaar aan die Munisipaliteit sal in die gevalle hierna vermeld, soos volg wees:

- (1) eiendomsbelasting – die geregistreerde eienaar van die perseel waarop dit betrekking het;
- (2) munisipale dienste – vanaf 1 Julie 2016 sal geen dienste rekening meer deur 'n huurder geopen kan word nie. Alle dienste heffings sal vir die rekening van die eienaar wees. Nieteenstaande bogenoemde kan die munisipaliteit steeds op eie diskresie dienskontrakte sluit met huurders. Aansoeke sal op meriete oorweeg word.



- (3) Huidige dienskontrakte met huurders sal voortgaan tot datum van diensbeëindiging, of eerste wanbetaling, watter ookal eerste plaasvind.
- (4) Met die sluit van die dienskontrak aanvaar die verbruiker enige koste wat gehef mag word wanneer die rekening laat betaal word, ingesluit rente.
- (5) die verbruiker of die persoon aan wie die diens gelewer is, met dien verstande dat indien die eienaar nie die verbruiker of die persoon is aan wie munisipale dienste gelewer is nie en die Munisipaliteit redelike stappe geneem het om bedrae verskuldig deur so 'n verbruiker of persoon te verhaal en sodanige bedrae nie kon verhaal nie, sal die eienaar van sodanige perseel aanspreeklik wees vir betaling van die bedrae verskuldig en betaalbaar deur so 'n verbruiker of persoon aan die Munisipaliteit, in terme van Artikel 118 (1) van die Munisipale Stelsels Wet;
- (6) huurgeld ten opsigte van die verhuring van staatsgefinansierde behuising en ander munisipale eiendom – die persoon met wie die huurooreenkoms aangegaan is en ingeval geen huurooreenkoms aangegaan is nie, die persoon wat aansoek gedoen het om die verhuurde eiendom te huur, of indien geen sodanige persoon geïdentifiseer kan word nie, die hoof van die huishouding wat so 'n perseel okkupeer of enige ander persoon wat verantwoordelikheid aanvaar vir die betaling van huurgeld verskuldig, hetsy so 'n persoon die perseel okkupeer al dan nie;
- (7) terugbetaling van behuisingslenings – die persoon of persone met wie 'n leningsooreenkoms of skuldakte gesluit is;
- (8) enige ander dienste, die persoon aan wie sodanige dienste gelewer is.

4.2 Waar 'n maatskappy, trust, beslote korporasie of 'n bestuursliggaam ingevolge die Wet op Deeltitels, 1986 (Wet No 95 van 1986) –

- die eienaar is van onroerende eiendom en/of;
- die aansoeker ingevolge paragraaf 3.1 is vir die lewering van munisipale dienste en sodanige dienste inderdaad gelewer word of gelewer is;

sal die verpligting van sodanige entiteit vir betaling van eiendomsbelasting op onroerende eiendom en/of enige bedrae verskuldig ten opsigte van munisipale dienste, uitgebrei word na die direkteure, trustees of lede daarvan wie as sulks gesamentlik en afsonderlik aanspreeklik sal wees.

4.3 Waar 'n rekening nie ten volle vereffen word nie, sal enige mindere bedrag wat aangebied en deur die Munisipaliteit aanvaar word, nie geag word as volle en finale vereffening van sodanige rekening te wees nie, tensy die Munisipale Raad skriftelik die betaling van so 'n mindere bedrag aanvaar het as volle en finale vereffening van die betrokke rekening. Aansoeke sal op meriete hanteer word.

- 4.4 Die Munisipale Bestuurder het die reg om enige skuld van 'n huurder oor te plaas na die rekening van die eienaar van dieselfde eiendom, soos vervat in Art 118 (3) van die Munisipale Stelsels Wet, Wet 32 van 2000.
- 4.5 Dit is die verantwoordelikheid van die verbruiker om sy korrekte kontakbesonderhede aan die munisipaliteit te verskaf en op datum te hou.
- 4.6 Die onus berus by die skuldenaar om 'n opgawe van sy of haar rekeninge te verkry sodat dit voor of op datum van betaling vereffen kan word. **Die nie-ontvangs van 'n rekening vrywaar nie die skuldenaar om sy rekening betyds te vereffen nie.**

## 5. STAKING VAN MUNISIPALE DIENSTE

- 5.1 'n Verbruiker moet vooraf 'n skriftelike kennisgewing aan die munisipaliteit gee vir die beëindig van die ooreenkoms vir die voorsiening van munisipale dienste.
- 5.2 Dit is die verantwoordelikheid van die verbruiker om die munisipaliteit in kennis stel indien dienste nie meer vereis word nie, as gevolg van die verkoop van eiendom of enige ander rede.
- 5.3 Versuim om te voldoen aan die bepalings van die bogenoemde paragraaf bly die verbruikers aanspreeklik vir alle dienste gehef en rente daarop van die datum waarop die perseel ontruim is tot die datum waarop die Raad bewus geword het van die ontruiming.
- 5.4 'n Verbruiker sal aanspreeklik wees vir alle agterstallige gelde wat betaalbaar is vir munisipale dienste gelewer voor die beëindiging van 'n ooreenkoms.

## 6 DATUM VAN BETALING VAN GELDE VERSKULDIG

- 6.1 Eiendomsbelasting word verskuldig en betaalbaar soos uiteengesit in die Raad se Verordening op Eiendomsbelasting asook die Eiendomsbelastingbeleid deur die Raad aanvaar.
- 6.2 Gelde betaalbaar ten opsigte van munisipale dienste word verskuldig en betaalbaar op die datum wat as sulks aangedui word op die rekening wat elke maand ten opsigte van sodanige dienste gelewer word en moet sodanige **betaling gemaak word voor of op die laaste werksdag van elke maand.**
- 6.3 Betaling van huur- en/of leningspaaielemente verskuldig ten opsigte van staatsgefinansierde behuising en/of ander munisipale eiendom moet gemaak word op die datums en ooreenkomstig die bepalings vervat in die onderskeie huur- en leningsooreenkomste.
- 6.4 Betaling van bedrae verskuldig aan die Munisipaliteit anders as eiendomsbelasting, gelde verskuldig ten opsigte van munisipale dienste en huur- en leningspaaielemente, moet gemaak word op die datum **soos** aangedui op die rekening wat aan sodanige skuldenaar ten opsigte van sodanige verskuldigde bedrag gelewer word.

6.5 Waar die laaste datum vir betaling van enige gelde verskuldig aan die Munisipaliteit op 'n dag is waarop die kantore van die Munisipaliteit gesluit is, sal die finale datum van betaling van sodanige gelde geag te wees die **voorafgaande** werksdag.

## **7. AKSIES GENEEM TE WORD WAAR SKULDENAARS AGTERSTALLIG RAAK OF VERSUIM OM GELDE VERSKULDIG VOOR OF OP DATUM VAN BETALING TE VEREFFEN**

### **7.1 EIENDOMSBELASTING AGTERSTALLIG**

7.1.1 Rente, ooreenkomstig die bepalings van paragraaf 8, sal gehef en betaalbaar wees op alle agterstallige bedrae.

7.1.2 Indien enige belasting of ander jaargelde onbetaald bly na die datum van betaling soos in paragraaf 6.1 aangedui, word die eienaar in kennis gestel.

7.1.3 Indien die eienaar nie reageer op die kennisgewing nie, kan die dienste gestaak word vir die nie-betaling van die eiendomsbelasting.

7.1.4 Waar die eiendom verhuur word en daar geen dienste is om te staak nie, kan die munisipaliteit in terme van artikel 28 en 29 van die Eiendomsbelasting wet, Wet 6 van 2004, beslag lê op die huurgeld betaalbaar aan die eienaar, ongeag enige ooreenkoms tussen die huurder en eienaar.

### **7.2 GELDE EN HEFFINGS AGTERSTALLIG TEN OPSIGTE VAN MUNISIPALE DIENSTE**

7.2.1 Rente, ooreenkomstig die bepalings van paragraaf 8, sal gehef en betaalbaar wees op alle agterstallige bedrae.

7.2.2 Kan die verbruiker per elektroniese media in kennis gestel dat die rekening onbetaald is.

7.2.3 Indien bedrae verskuldig ten opsigte van munisipale dienste, of enige gedeelte daarvan, onbetaal bly na die datum van betaling soos in paragraaf 6.2 aangedui,

- (1) sal die elektrisiteitsvoorsiening na die betrokke perseel afgesluit word, en
- (2) Kan die konvensionele elektrisiteitsmeter vervang met 'n voorafbetaalde elektrisiteitsmeter.
- (3) Kan die uitstaande bedrae op die voorafbetaalde elektrisiteitstelsel gelaai word. Wanneer die voorafbetaalde elektrisiteit gestaak word, moet die verbruiker die nodige reëlins tref ter afbetaling van die uitstaande rekening. Met die tref van hierdie reëling word daar ooreengekom teen watter persentasie van die kragverkope aangewend sal word vir die delging van die uitstaande skuld. Die volgende maatstaf sal gebruik word vir die betaling van die koers wat gelaai word:

<b>0 – 30 dae uitstaande</b>	<b>0%</b>
<b>31 – 60 dae uitstaande</b>	<b>50%</b>
<b>61 – 90 dae uitstaande</b>	<b>50%</b>
<b>91 – 120 dae uitstaande</b>	<b>50%</b>
<b>120 dae plus uitstaande</b>	<b>50%</b>
<b>Uitstaande reëlingspaaieimente</b>	<b>50% (ongeg dae uitstaande)</b>

Wanneer 'n verbruiker gekoppel is aan 'n lewensnoodsaaklike masjien/toerusting, kan daar aansoek gedoen word om 100 eenhede Kwh aan te koop sonder enige kredietbeheer stappe. Hierdie krag word steeds teen die normale tarief gekoop. Bewys van die dokter moet die aansoek vergesel. Na die aankope sal normale kredietbeheer steeds op die rekening toegepas word.

(4) sal die Direkteur: Finansiële Dienste die diskresie kan uitoefen –

- om die voorsiening van water na die betrokke perseel te beperk deur 'n waterbeheermeganisme op die dienste aansluiting na so 'n perseel te installeer wat nagenoeg 6 kiloliter water per maand sal deurlaat;

**of**

- om die voorsiening van water te beperk

**of**

- met inagneming van die betrokke skuldenaar se rekord van betaling, die beperking of afsluiting van die voorsiening van water vir 'n tydperk van nie meer as 14 dae nie, uit te stel.

- **Die vermindering van water sal as laaste uitweg gebruik word, veral waar geen alternatiewe dienste is wat gestaak kan word nie. Verbruiker sal kennisgewing kry met grasie tyd waarbinne reëlings getref kan word.**

(5) Dat die volgende wysiging aan die betalingstermyn goedgekeur word, en dat klousule 7.2.4 van die kredietbeheerbeleid soos volg gewysig word:

“Indien 'n persoon nie in staat is om agterstallige gelde ten opsigte van munisipale dienste te betaal nie, die Munisipaliteit 'n ooreenkoms met sodanige persoon aangaan, in terme waarvan so 'n persoon toegelaat word om die agterstallige gelde in maandelikse paaieimente soos volg af te betaal, afbetaling van die verskuldigde bedrag binne die volgende riglyne moet geskied.

R0 – R1 000	:	12 maande
R1 001 – R2 000	:	18 maande
R2 001 – R3 000	:	24 maande
R3 001 – R4 000	:	30 maande
R4 000 en meer	:	10% van lopende rekening”; en

Dat, waar die uitstaande rekening nie in 'n bekostigbare paaieiment, soos vervat in klousule 7.2.3. van die beleid berekening kan word nie, 'n paaieiment van 10% van die maandelikse lopende rekening, uitgesluit enige krediete wat gegee mag word, bereken word. Sodanige versoek moet aan die Rekenmeester: Kredietbeheer gestuur word, met nodige motivering oor hoekom daar afgewyk moet word van klousule 7.2.3. Die Rekenmeester: Kredietbeheer kan sodanige reëling dan goedgekeur. Enige reëling wat op die basis getref word, moet maandeliks ten volle betaal word. Indien sodanige reëling nie maandeliks ten volle vereffen word nie, sal normale kredietbeheer teen die rekening geïmplementeer word.

- ~~Met 'n minimum van 20% van die gemiddelde rekening bereken oor 'n tydperk van 6 maande toe verbruik plaasgevind het (RB 707 9(28/08/2008).~~
- ~~die persoon alle toekomstige rekenings ten opsigte van eiendomsbelasting, munisipale dienste, huurgelde en leningspaaieimente verskuldig aan die Munisipaliteit gereeld op of voor die datum van betaling, vereffen;~~
- ~~die persoon erken dat rente op enige paaieimente wat nie teen die betaaldatum betaal is nie gehef kan word teen die voorgeskrewe koers en hy of sy instem om dit te betaal;~~
- ~~die persoon erken dat indien hy of sy te enige tyd in gebreke bly om die bepalings van so 'n ooreenkoms na te kom, so 'n ooreenkoms nietig geag sal word; dat geen verdere onderhandelings met so 'n persoon moontlik sal wees nie en dat onmiddellik oorgegaan sal word om elektrisiteit en watervoorsiening aan die betrokke perseel af te sluit of te beperk, waarna geregtelike stappe sal volg.~~

7.2.4 Indien 'n rekening aan 'n persoon gelewer word waarvan die verskuldigde bedrag ten opsigte van munisipale dienste buitengewoon hoog is en dit te wyte is aan –

- een of ander nalate of versuim aan die kant van die Munisipaliteit; of
- 'n lekkasie van water uit 'n waterpyleiding of afsluitkraan wat op so 'n perseel geïnstalleer is en wat nie deel vorm van die Munisipaliteit se dienste aansluiting nie

en met dien verstande dat so 'n verskuldigde bedrag regtens verskuldig en betaalbaar is deur so 'n persoon, kan die Munisipaliteit in die diskresie van die Direkteur: Finansiële Dienste, 'n ooreenkoms met sodanige persoon aangaan ingevolge waarvan so 'n persoon toegelaat word om die verskuldigde bedrag in maandelikse paaieimente af te betaal, onderworpe aan die voorbehoudsbepalings vervat in paragraaf 7.2.3 en met dien verstande dat waar so 'n hoë rekening te wyte is aan die nalate en/of versuim van die Munisipaliteit, geen rente betaalbaar sal wees ten opsigte van sodanige verskuldigde bedrag nie.

Indien enige gelde verskuldig ten opsigte van munisipale dienste gelewer, **waar die verbruiker intussen die dienste afgesluit het**, en geen ooreenkoms gesluit is vir die afbetaling van die uitstaande bedrae nie, die Direkteur: Finansiële Dienste, onderhewig aan die bepalings van paragraaf 11.3 –

- Die rekening vir gelde aldus verskuldig aan 'n skuldinvorderaar of prokureur oorhandig vir invordering indien daar na sy mening 'n redelike kans bestaan dat die skuld wel ingevorder sal kan word; (vir doeleindes hiervan sal skuldinvordering ook geag word enige beampte van die raad te wees wat met die bevoegdheid beklee is om skuld in te vorder)

### **7.3 AGTERSTALLIGE HUURGELDE EN/OF LENINGSPAAIEMENTE**

- 7.3.1 Waar huur- of leningsooreenkomste voorsiening maak vir rente betaalbaar op agterstallige huurgelde of leningspaaieimente, word rente gehef ooreenkomstig die voorwaardes vervat in sodanige huur- of leningsooreenkomste.
- 7.3.2 'n Ooreenkoms om agterstallige bedrae in maandelikse paaieimente te betaal, kan ter enige tyd met die persoon wat sodanige gelde verskuldig is, aangegaan word onderworpe egter aan die voorwaardes en bepalinge vervat in paragraaf 7.2.3 welke bepalinge mutatis mutandis van toepassing sal wees.
- 7.3.3 Waar 'n ooreenkoms om bedrae verskuldig in maandelikse paaieimente af te betaal nie aangegaan is nie, en sodanige bedrae steeds na meer as 30 dae gereken vanaf datum van betaling uitstaande is, moet die Direkteur: Finansiële Dienste die stappe neem soos uiteengesit in paragraaf 7.2.5.

### **7.4 GELDE VERSKULDIG ANDER DAN GELDE TEN OPSIGTE VAN EIENDOMSBELASTING, MUNISIPALE DIENSTE, HUURGELDE EN LENINGSPAAIEMENTE**

Die bepalinge van paragrawe 7.3.3 ten opsigte van agterstallige huurgelde en/of leningspaaieimente is mutatis mutandis van toepassing.

### **8. HEFFING VAN RENTE**

- 8.1 Rente teen die standaardkoers moet gehef en gevorder word ten opsigte van alle agterstallige bedrae wat aan die Munisipaliteit verskuldig en betaalbaar is, vir elke maand wat sodanige bedrae na die datum vermeld in paragraaf 8.2, onbetaal bly met dien verstande dat 'n gedeelte van 'n maand geag word 'n maand te wees.
- 8.2 Sodanige rente word gehef vanaf die dag wat volg op die datum van betaling ten opsigte van sodanige uitstaande bedrae wat op sodanige datum van betaling nog nie vereffen is nie.

### **8.3 Deernis gevalle word vrygestel van enige rente gehef op agterstallige rekeninge, maar nie van kredietbeheer stappe nie.**

### **9. AFSLUITING EN HERAANSLUITING VAN DIENSTE**

- 9.1 Ingeval die water- of elektrisiteitstoevoer na 'n perseel, ooreenkomstig die bepalinge van paragrawe 7.2.3 afgesluit word, word sodanige water- of elektrisiteitstoevoer her-aangesluit slegs sodra –

- (1) die bedrae verskuldig tesame met rente ten volle vereffen is of 'n ooreenkoms vir afbetaling daarvan met die skuldenaar aangegaan is ooreenkomstig die bepalings en voorwaardes vervat in paragrafe 7.2.3 en 7.2.4; en
- (2) die afsluiting- en/of heraansluitingsgelde soos in die Munisipaliteit se tarief beleid vasgestel, betaal is.

## **10. VORDERING VAN DEPOSITO**

- 10.1 Wanneer 'n persoon ooreenkomstig die bepalings van paragraaf 3.1 aansoek doen vir die lewering van munisipale dienste en alvorens sodanige dienste gelewer word, word 'n deposito/bankwaarborg van sodanige persoon gevorder welke deposito as sekuriteit of gedeeltelike sekuriteit sal dien vir betaling van munisipale dienste gelewer aan so 'n persoon.
- 10.2 'n Deposito soos in paragraaf 10.1 beoog, word aangewend ter delging van of ter vermindering van bedrae deur 'n persoon aan die Munisipaliteit verskuldig vir munisipale dienste gelewer, indien so 'n skuldenaar sou verdwyn en nie geredelik opgespoor kan word nie, of insolvent verklaar word of om welke rede ook al weier of versuim om sy of haar verpligtinge teenoor die Munisipaliteit na te kom.
- 10.3 Die bedrag van die deposito word van tyd tot tyd in die Munisipaliteit se Begroting vasgestel vir die volgende kategorieë. Minimum deposito word bereken op twee (2) maande se gebruik, behalwe waar anders gemeld-
  - (1) nuwe aansoekers vir munisipale dienste (huishoudelike verbruikers);
  - (2) nuwe aansoekers vir munisipale dienste (besighede/grootmaat verbruikers);
  - (3) nuwe aansoekers vir lae koste behuising, hulpbehoewende of Staatsouderdompensioenarisse.
- 10.4 Diskresionêre bevoegdheid word aan die Direkteur: Finansiële Dienste verleen om die deposito betaalbaar deur 'n persoon, soos vasgestel ooreenkomstig paragraaf 10.4, te verhoog telkens wanneer enige munisipale diens ingevolge paragraaf 7.2.3 afgesluit of beperk word, met dien verstande egter dat 'n deposito slegs aldus verhoog mag word tot 'n maksimum bedrag soos volg bereken:
 

2½ maal die bedrag van die hoogste rekening vir munisipale dienste gelewer aan die betrokke persoon in enige maand gedurende die 12 maande wat die datum van afsluiting of beperking van die dienste voorafgaan. Waar munisipale dienste in enige gegewe stadium nog nie 12 maande lank aan 'n persoon gelewer is nie, sal die bedrag van die hoogste maandelikse rekening vir enige maand gedurende die mindere tydperk, bepalend wees.
- 10.5 Wanneer 'n persoon wat reeds 'n deposito aan die Munisipaliteit betaal het, van een perseel binne die regsgebied van die Munisipaliteit na 'n ander perseel binne die regsgebied van die Munisipaliteit verhuis, sal die normale deposito betaalbaar wees. Geen dienstedeposito word oorgedra nie.
- 10.6 Die munisipaliteit behou die reg voor om dienste deposito's ter enige tyd aan te pas om te voldoen aan die bepalings van paragraaf 10.4 hierbo.

- 10.7 Die Munisipaliteit is nie aanspreeklik vir betaling van rente op deposito's wat deur die Munisipaliteit gehou word nie
- 10.8 Wanneer 'n persoon, wat 'n deposito aan die Munisipaliteit betaal het, skriftelik versoek dat munisipale dienste wat aan hom of haar gelewer word gestaak word en dat die deposito wat aldus deur die Munisipaliteit gehou word aan hom of haar terugbetaal word, word sodanige deposito of enige gedeelte daarvan wat nie ooreenkomstig paragraaf 10.2 aangewend is nie aan sodanige persoon terugbetaal.

## **11. INSTELLING VAN GEREGETELIKE STAPPE**

- 11.1 Die instelling van geregetelike stappe sluit in, maar is nie beperk nie tot –
- (1) Lys by Kredietburo as stadige/swak betaler (Word deur die Munisipaliteit self gedoen)
  - (2) die dagvaarding van 'n skuldenaar vir betaling van agterstallige skuld;
  - (3) die beslaglegging van huur betaalbaar op 'n eiendom;
  - (4) die beslaglegging op die besoldiging van 'n skuldenaar;
  - (5) die beslaglegging en geregetelike verkoping van roerende goed;
  - (6) die beslaglegging en geregetelike verkoping van onroerende eiendom;
  - (7) die uitsetting van 'n huurder uit 'n verhuurde eiendom in die geval van huurgelde verskuldig aan die Munisipaliteit ten opsigte van so 'n verhuurde eiendom.
- 11.2 Die instelling van geregetelike stappe word geneem met inagneming van alle wetlike vereistes en die nakoming van wetlike voorskrifte en prosedure reëlings in dié verband.
- 11.3 Diskresionêre bevoegdheid word aan die Direkteur: Finansiële Dienste verleen om te besluit of –
- (1) 'n rekening aan 'n skuldinvorderaar of 'n prokureur vir invordering oorhandig moet word en, of
  - (2) geregetelike stappe teen 'n skuldenaar ingestel moet word;
- in daardie gevalle waar die totale skuld van 'n skuldenaar 'n bedrag soos deur die Direkteur: Finansiële Dienste bepaal oorskry.

By die uitoefening van hierdie bevoegdheid neem die Direkteur: Finansiële Dienste slegs as enigste oorweging in ag of dit koste-effektief sal wees om sodanige rekening vir invordering te oorhandig en/of geregetelike stappe teen die skuldenaar in te stel al dan nie.



- 11.4 Die Direkteur: Finansiële Dienste sal die bevoegdheid hê om te bepaal welke van die geregtelike stappe in paragraaf 11.1 vermeld die mees aangewese en doeltreffendste stap sal wees ten opsigte van elk en iedere skuldenaar teen wie geregtelike stappe ingevolge hierdie beleid van die raad ingestel moet word.

## **HOOFSTUK 4**

### **ALGEMENE BEPALINGS**

#### **12. KOSTE VAN INVORDERING**

Die Munisipaliteit sal alle regs-koste, invorderingskommissie en enige ander kostes wat deur die Munisipaliteit aangegaan mag word om die gelde verskuldig deur 'n skuldenaar aan die Munisipaliteit, in te vorder, teen die rekening van sodanige skuldenaar hef en dit van hom of haar verhaal.

#### **13. ~~GEDISHONOREERDE BETALINGS~~**

~~Indien enige betaling aan die Munisipaliteit by wyse van 'n verhandelbare instrument later deur 'n bank gedishonoreer word, kan die Direkteur: Finansiële Dienste—~~

~~(1) koste en administrasiefooi op die rekening van sodanige skuldenaar hef teen 'n koers wat van tyd tot tyd deur die raad bepaal word; en~~

#### **14. TOEGANG TOT PERSELE**

Die bewoner van 'n perseel in die regsgebied van die Munisipaliteit moet te alle redelike ure aan 'n gemagtigde verteenwoordiger van die Munisipaliteit of van 'n diensverskaffer, toegang verleen tot die perseel ten einde enige meter- of diensverbinding vir verspreiding te lees, te inspekteer, te installeer of te herstel of om die verskaffing van 'n munisipale diens af te sluit of dit te beperk.

Waar toegang nie moontlik is nie, aanvaar die eienaar verantwoordelikheid vir die koste vir die skuif van die meteringstoestel.

#### **15. VEILIGE AKKOMMODASIE VAN DIENSAANSLUITINGS, METERS, AFSLUITKRANE, APPARAAT ENS.**

Waar water en/of elektrisiteit aan 'n perseel gelewer word, is die verbruiker van sodanige dienste verantwoordelik vir die veilige akkommodasie van enige diens aansluitings, meters, afsluitkrane, diensbeveiligingstoestelle en -toerusting wat op sodanige perseel is en is die verbruiker ook aanspreeklik vir vergoeding aan die Munisipaliteit vir enige koste of verliese of skade wat die Munisipaliteit ten opsigte daarvan mag aangaan of ly.

## **16. DIEFSTAL, SKADE EN ONGEMAGTIGDE GEBRUIK VAN WATER EN ELEKTRISITEIT**

### 16.1 Geen persoon mag:

- (1) op enige wyse of om enige rede hoegenaamd aan enige diens aansluiting, meter, afsluitkraan, diensbeveiligingstoestel en -apparaat, seëls of hooftoevoerleiding, wat geïnstalleer is om water en/of elektrisiteit te voorsien te meet of te beperk, peuter of beskadig of breek of hom of haar daarmee bemoei of dit verwyder nie;
- (2) enige waterpyplyn of -pyleiding of netwerk of 'n elektriese installasie regstreeks of onregstreeks aansluit, probeer aansluit of duld of toelaat dat dit aangesluit word by die Munisipaliteit se hooftoevoerleiding of diens-aansluiting nie, tensy sodanige persoon skriftelik deur die Munisipaliteit spesifiek daartoe gemagtig is.
- (2) enige wateraansluiting of elektriese installasie wat, vir welke rede ook al, deur die Munisipaliteit afgesluit is, heraansluit, probeer heraansluit of duld of toelaat dat dit heraangesluit word by die Munisipaliteit se hooftoevoerleiding of diens aansluitings nie, tensy sodanige persoon skriftelik deur die Munisipaliteit spesifiek daartoe gemagtig is.
- (3) water of elektrisiteit, wat op 'n onregmatige wyse verkry is, gebruik nie.

16.2 Die Munisipale Bestuurder moet, sodra dit tot sy kennis kom en hy oor voldoende feitelike getuienis beskik dat 'n oortreding van enige van die bepalings van paragraaf 16.1 plaasgevind het, 'n strafregtelike vervolging teen die persoon wat vermoedelik so 'n oortreding begaan het, instel.

16.3 Benewens en ondanks strafregtelike vervolging en oplegging van gevangenisstraf en/of 'n boete ingevolge enige verordening deur die Munisipaliteit gemaak of ingevolge enige ander Wet, regulasie of verordening, aan enige persoon wat hom of haar skuldig maak aan 'n oortreding in paragraaf 16.1 vermeld, sal die Munisipaliteit geregtig wees om –

- (1) enige koste of skade of verliese wat die Munisipaliteit mag aangaan, opdoen of mag ly as gevolg van sodanige oortredings van sodanige persoon te verhaal, wat insluit die boete soos bepaal deur die Raad se tariefstruktuur, koste van nuwe meter, asook enige ander koste wat nodig is om die aansluiting te beveilig, en
- (2) ingeval water en/of elektrisiteit onregmatig verbruik is, die persoon wat dit onregmatig verbruik het aan te slaan vir betaling van 'n verbruik bereken ooreenkomstig die bepalings van paragraaf 2.2.4. Sodanige verbruike word teen die tarief bereken soos van toepassing op die datum wat die ongemagtigde gebruik bepaal is.
- (3) die voorsiening van water en/of elektrisiteit aan die betrokke perseel summier af te sluit.

- (4) Volle uitstaande bedrag van die rekeninghouer te eis alvorens die diens weer aangesluit word, of 'n aanvaarbare reëling aan te gaan vir die betaling van die rekening.

**17. ONDERTEKENING VAN KENNISGEWINGS EN DOKUMENTE**

'n Kennisgewing of dokument uitgereik deur die Munisipaliteit ingevolge 'n verordening gemaak deur die Munisipaliteit en wat onderteken is deur 'n personeellid van die Munisipaliteit word geag behoorlik uitgereik te wees en moet by blote voorlegging daarvan deur die hof aanvaar word as getuienis van daardie feit

**18. WAARMERK VAN DOKUMENTE**

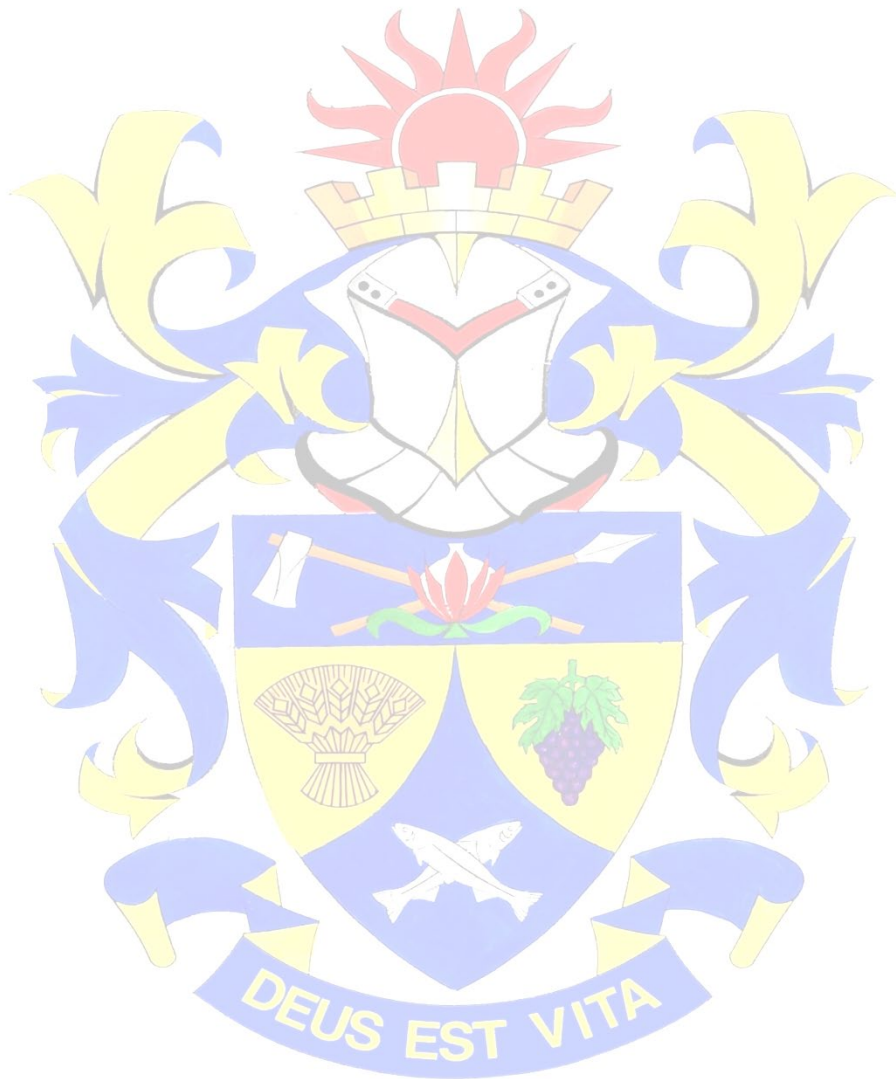
Enige bestelling, kennisgewing of ander dokument wat deur die Munisipaliteit gewaarmerk moet word, word as voldoende gewaarmerk geag indien dit onderteken is deur die Munisipale Bestuurder of 'n behoorlik gemagtigde beampte van die Munisipaliteit aan wie sodanige bevoegdheid opgedra is by wyse van 'n besluit van die raad van die Munisipaliteit of kragtens 'n verordening

**19. PRIMA FACIE GETUIENIS**

In regsgedinge wat deur die Munisipaliteit aanhangig gemaak word, moet die blote voorlegging van 'n sertifikaat wat die bedrag verskuldig en betaalbaar aan die Munisipaliteit reflekteer, en onderteken is deur die Munisipale Bestuurder, of 'n toepaslik gekwalifiseerde beampte wat deur die Munisipale Bestuurder daartoe gemagtig is, deur die hof aanvaar word as prima facie bewys dat die bedrag verskuldig is.

# **BERGRIVIER MUNICIPALITY**

## **RATES POLICY**



**RATES POLICY  
MARCH 2022**

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## **PREAMBLE**

**WHEREAS** section 3 of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) determines that a municipality must adopt a rates policy in accordance to the determination of the Act; and

In terms of section 229 of the Constitution of the Republic of South Africa, 1996, a municipality may impose rates on property; and

In terms of the Local Government: Municipal Property Rates Act, 2004 (no 6 of 2004) a municipality in accordance with –

- (a) section 2(1) may levy a rate on property in its area; and
- (b) section 2 (3) must exercise its powers to levy a rate on property subject to-
  - (i) Section 229 and any other applicable provisions of the Constitution;
  - (ii) The provisions of the Property Rates Act; and
  - (iii) The Rates Policy and

In terms of section 4(1) (c) of the Local Government: Municipal Systems Act, 2000 (no 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property; and

In terms of section 62(1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (no 56 of 2003) the Municipal Manager must ensure that the municipality has and implements a rates policy.

**NOW THEREFORE** the following policy on the levying of property rates is accepted.

## **1. OBJECTIVES:**

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:

- the Constitution requires local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfil its developmental responsibilities; and
- revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and
- it is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation, and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the Property Rates including any regulations promulgated in terms of that Act.

The objectives of this policy are also to ensure that-

- all ratepayers within a specific category are treated equal and reasonable;
- All rates levied are affordable. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.
- rates are levied in accordance with the market value of the property;
- the rate will be based on the value of all rateable property in that category and the amount required by the municipality to balance the operational

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Rates Policy**

- budget, taking into account the surplus obtained from the trading- and economical services and the amounts required to finance exemptions, reductions and rebates that the municipality may approve from time to time;
- income derived from rates will be used to finance community- and subsidised services only;
  - to optimally safeguard the income base of the municipality through exemptions, reductions and rebates that are reasonable and affordable taking into account the poor/indigent ratepayers;
  - In order to minimize major shocks to certain ratepayers the market values in the new valuation roll or tariffs determined by Council may be phased-in over the entire periods as stipulated in the Rates Act.
  - to adhere to the legal requirements of the Property Rates Act.

## **2. DEFINITIONS**

In this policy, unless the context indicates otherwise—

**“Act”**, means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) as amended

**“Agent”**, in relation to the owner of a property, means a person appointed by the owner of the property –

- (a) to receive rental or other payments in respect of the property on behalf of the owner; and/or
- (b) to make payments in respect of the property on behalf of the owner;

**“accommodation establishment”** means a facility zoned for single residential purposes, that provides for lettable residential accommodation on a regular and continuous basis in addition to its permitted use for a single family and includes guesthouses, “bed & Breakfast” and “Self-catering” establishments;



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**“Agricultural property”**, means property that is used primarily for agricultural purposes and excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of ecotourism or for the trading in or hunting of game.

**“annually”** means once every financial year;

**“business”** means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

**“category”** –

- (a) in relation to property, means a category of property determined in terms of section 8 (2) of the Act;
- (b) in relation to owners of property, means a category of owners determined in terms of section 15 (2) of the Act;

**“district municipality”** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155 (1) of the Constitution as a Category C municipality;

**“exclusion”** in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17 of the Act;

**“exemption”** in relation to the payment of a rate, means an exemption granted in terms of section 15 of the Act;

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**“financial year”** means the period starting from 1 July in a year to 30 June of the next year;

**“household income”** means the income accruing to all members of the household permanently residing at the address. It includes income of spouses;

**“income tax act”** means the Income Tax Act ,1962 (Act 58 of 1962)

**“indigent person”** means a person whose household income does not exceed the minimum household income as predetermined by the council;

**“land reform beneficiary”** in relation to a property, means a person who-

- (a) acquired the property through-
  - (i) the Provincial Land and Assistance Act, 1993 (Act 126 of 1993);
  - (ii) the Restitution of Land Rights Act, 1994 (act 22/1994);
- (b) holds the property subject to the Communal Property Associations Act, 1996 (Act 28 of 1996); or
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

**“land tenure right”** means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004

**“local community”**, in relation to a municipality—

- (a) means that body of persons comprising—
  - (i) the residents of the municipality;
  - (ii) the ratepayers of the municipality;

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- (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
  - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality.
- (b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons.

**“local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

**“market value”**, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

**“MEC for Local Government”** means the member of the Executive Council of a province who is responsible for local government in that province;

**“mining”** means any operation or activity for extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;

**“minister”** means the Cabinet member responsible for local government;

**“multiple purposes”**, in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the MPRA, 2004 (Act 6 of 2004) and cannot be assigned to a single category.

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**“municipal council”** or **“council”** means a municipal council referred to in section 18 of the Municipal Structures Act;

**“Municipal Finance Management Act”** means the Local Government; Municipal Finance Management Act, 2003 (Act 56 of 2003);

**“municipality”**—

- (a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and
- (b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act. 27 of 1998);

**“municipal manager”** means a person appointed in terms of section 82 of the Municipal Structures Act;

**“municipal properties”** means those properties of which the municipality is the owner;

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

**“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date;

**“occupier”**, in relation to a property, means a person in actual occupation of a property whether or not that person has a right to occupy the property;

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**“Office bearer”**, in relation to places of public worship, means the primary person who officiates at services at that place of worship.

**“Official residence”**, in relation to places of public worship, means

- a) a portion of the property used for residential purposes; or
- b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer.

**“owner”—**

- (a) in relation to property referred to in paragraph (a) of the definition of “property”, means—
  - a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered; or
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
  - (i) A trustee, in the case of a property in a trust excluding state trust land;
  - (ii) an executor or administrator, in the case of a property, in a deceased estate;
  - (iii) a trustee or liquidator, in the case of a property, in an insolvent estate or in liquidation;
  - (iv) a judicial manager, in the case of a property, in the estate of a person under judicial management;

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- (v) a curator, in the case of a property, in the estate of a person under curatorship;
- (vi) an usufructuary or other person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

**“permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of –

- (a) any restrictions imposed by –
  - (i) a condition of title;
  - (ii) a provision of a town planning or land use scheme; or
  - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions;

**“person”** includes an organ of the state;

**“Place of public worship”**, means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is—

- i. registered in the name of the religious community;
- ii. registered in the name of a trust established for the sole benefit of a religious community; or
- iii. subject to a land tenure right

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**“private open space”** means any land in private ownership used primarily as a private site for play, rest or recreation without financial gain.

**“property”** means—

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation;

**“property register”** means a register of properties referred to in section 23 of the Act;

**“protected area”** means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act, 2003;

**“public benefits organisation”** means an organisation conducting specified public benefit activities as defined in the act and registered in terms of the Income Tax Act for tax reductions because of those activities.

**“publicly controlled”** means owned by or otherwise under the control of an organ of the state, including-

- (a) a public entity listed in the Public Finance Management Act, (Act 1/1999)
- (b) a municipality; or
- (c) a municipal entity as defined in the Municipal Systems Act

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**“public service infrastructure”** means publicly controlled infrastructure as determined in terms of chapter 1 of the Local Government: Municipal Property Rates Act (Act 6/2004)

**“Public Service Purposes”**, in relation to the use of a property, means property owned and used by an organ of state as—

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law, but excludes property contemplated in the definition of ‘public service infrastructure’

**“rate”** means a municipal rate on property envisaged in section 229(1)(a) of the Constitution;

**“rateable property”** means property on which a municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

**“Ratio”**, in relation to section 19 of the Municipal Property Rates Act, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category.

**“rebate”**, in relation to a rate payable on a property, means a discount on the amount of the rate payable on the property;



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**“Reduction”**, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount;

**“Residential property”** means property included in a valuation roll in terms of section 48 (2) (b) of the Act (read with section 8) as residential inclusive of a suite of rooms which forms a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding accommodation establishments, bed & breakfast, hotel, guest house, commune, boarding and undertaking, hostel, place of instruction and sectional title units.

**“Sectional Titles Act”** means the Sectional Titles Act, 1986 (Act 95 of 1986)

**“Sectional title unit”** means a unit defined in section 1 of the Sectional Titles Act;

**“Specified public benefit activity”** means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act:

**“State-owned properties”** means properties owned by the State, which are not included in the definition of public service infrastructure in the Act. These state-owned properties are classified as follows:

- (a) State properties that provide local services.
- (b) State properties that provide regional/municipal district-wide/ metro-wide service.
- (c) State properties that provide provincial/national service.

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“**The Act**” means the Local Government Municipal Property Rates Act, 2004 (No. 6 of 2004).

*(Herein after called “The Act”)*

“**Vacant land**” means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.

### **3. PURPOSE OF THE POLICY**

The policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the various property rates are determined when the budget is considered and approved every year.

### **4. POLICY PRINCIPLES**

Rates are levied in accordance with the Act as an amount in the Rand based on the market value of rateable property contained in the municipality’s valuation roll and supplementary valuation rolls.

As allowed for in the Act, the municipality may choose to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality does not, however, grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties, on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

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The rates policy for the municipality is based on the following principles:

**a. Equity**

The municipality will treat all similar ratepayers with similar properties the same.

**b. Affordability**

The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, and/or reductions and/or rebates.

**c. Sustainability**

Rating of property will be implemented in a way that-

- i. It supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
- ii. Supports local social and economic development.

**d. Cost efficiency**

Rates will be based on the value of all rateable property and the amount required by the municipality to balance the operating budget after taking into account the amounts required to finance exemptions, rebates and reductions as approved by the municipality from time to time. The implementation of the policy must be as cost-effective as possible.

## **5. APPLICATION OF THE POLICY**

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

## **6. CLASSIFICATION OF SERVICES AND EXPENDITURE**

The Chief Financial Officer shall, subject to the guidelines provided by the legislation and the Executive Mayor, provide for the classification of services as outlined in the Municipality's annual budget into trading and economic services.

## **7. CATEGORIES OF PROPERTIES**

**7.1** Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions, rebates and reductions will be according to the–

- (a) use of the property
- (b) permitted use of the property, or
- (c) geographical area in which the property is situated.

**7.2 Categories of property for the municipality may include, but not limited to-**

- (a) Residential properties.
- (b) Institutional
- (c) Industrial
- (d) Business and Commercial properties
- (e) Agricultural purposes;
- (f) State-owned properties:
- (g) Municipal owned properties:
- (h) Public service infrastructure

## **8. DIFFERENTIAL RATES**

A municipality may levy different rates for different categories of rateable property, determined in subsection (2) and (3), which must be determined according to the—

- (a) use of the property;
- (b) permitted use of the property; or
- (c) a combination of (a) and (b).

Differential rating among the various property categories will be done by way of setting different Cents in the Rand for each property category.

## **9. MULTIPLE PURPOSE PROPERTIES**

(1) A property used for multiple purposes must, for rates purposes, be assigned to a category determined by the municipality for properties used for-

- (a) A purpose corresponding with the permitted use of the property;
- (b) A purpose corresponding with the dominant use of the property; or
- (c) Multiple purpose in terms of section 8(2)(i)

Dominant use is used in the compilation of the General Valuation Roll which is implemented 1 July 2018 and rates are levied accordingly.

## **10. CATEGORIES OF OWNERS**

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions may be according to the-

- (a) indigent status of the owner of a property
- (b) sources of income or/and monthly household income of the owner of a property
- (c) owners of property situated within an area affected by-

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- (i) a disaster within the meaning of the Disaster Management Act, 2002 (Act no 57 of 2002) ; or
- (ii) any other serious adverse social or economic conditions;
- (d) owners of residential properties with a market value below a determined threshold; or
- (e) owners of agricultural properties who are **bona fide** farmers.

## **11. LEVYING OF RATES**

### **(1) Liability for rates by property owners:**

Rates levied by a municipality on a property must be paid by the owner of the property, subject to Chapter 9 of the Municipal Systems Act. Joint owners are jointly and severally liable for the amount due for rates on that property.

In a case of agricultural property owned by more than one owner in undivided shares where the holding of such undivided shares was allowed before the commencement of the subdivision of the Agricultural Land Act (Act 70 of 1970) the municipality may consider the following options for determining the liability for rates:

- (i) If the joint owners are all available, the issue of who is liable for rates will be dealt with in the context of whether they have entered into an agreement or not regarding payment of rates liabilities. Where the joint owners have a written agreement that a specific joint owner is liable for all the rates, the municipality will hold such a joint owner liable in respect of all the rates. A certified copy of the agreement must be submitted to the municipality.

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Where there is no agreement, the municipality will hold anyone of the joint owners responsible for the whole property or hold any joint owner only liable for his undivided share.

- (ii) If the joint owners are not traceable with the exception of one joint owner and such joint owner is occupying or using the entire property or a significant larger portion the municipality will hold that joint owner liable for the total rates bill.
- (iii) If the traceable joint owner is only using or occupying a small portion of the entire property, the municipality will hold that joint owner only responsible for his own undivided share in that property

**(2) Method and time of payment**

The municipality will recover the rate levied in periodic instalments of equal amounts in twelve months. The instalment is payable on or before due date indicated on monthly account. Interest will be charged at 1% above the prime interest rate for any late payments received. For the interest calculation, part of a month will be calculated as a full month.

**(3) Annual Payment Arrangements**

By prior arrangement with the municipality the rate may be paid in a single amount before 30 September of the year it is levied in, however, application, in writing, must be submitted before 30 June prior to the financial year of implementation of the arrangement. The Director of Financial Services will consider any applications after this date.

**(4) Recovery of arrear rates from owner**

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Recovery of arrear rates is dealt with in accordance with the Credit Control and Debt Collection Policy.

**(5) Recovery of arrear rates from tenants, occupiers and agents**

Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of the Act.

**(5A) Deferral of payment of rates liabilities**

Refer to Credit Control and Debt Collection Policy.

**(6) Supplementary Valuation Debits**

In the event that a property has been transferred to a new owner and a Supplementary Valuation took place, the previous owner as well as the new owner will jointly and separately be held responsible for the settling the supplementary rates account.

**(7) Ownership**

Properties, which vest in the Municipality during developments, i.e. open spaces and roads should be transferred at the cost of the developer to the Municipality.

Until such time, rates levied will be for the account of the developer.

**(8) Clearance Certificate**

8.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates, service and sundry charges and any



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estimated amounts for the duration of the certificate in connection with the property are paid, by withholding a clearance certificate.

- 8.2 When debt has been written off as irrecoverable it will not be recovered again when a clearance certificate on a property is issued.
- 8.3 The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyor.
- 8.4 All payments will be allocated to the subject property.
- 8.5 No interest shall be paid in respect of these payments.
- 8.6 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyor has been received.
- 8.7 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been paid.
- 8.8 The rates clearance certificate validation period is 60 days and the amount due for payment is calculated as follows:
  - a. Applications received between the 1st and the 14th of the month will include 3 (three) months advance collections plus all current outstanding debt on the property.
  - b. Applications received between the 15th and the end of the month will include 4 (four) months advance collections plus all current outstanding debt on the property.

**(9) Levying of rates on property in sectional title schemes**

A rate on property, which is subject to a sectional title scheme, will be levied on the individual sectional title units in the scheme.

**12. IMPERMISSIBLE RATES**

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A municipality may not levy the following rates in terms of sections 16 (1) and 17 (1) of the Act:

- (1) Rates that would prejudice national economic policies.
- (2) Rates that would prejudice economic activities across boundaries
- (3) Rates that would prejudice national mobility of goods, services, capital or labour.

**(see conditions under section 16(2-5) of the Property Rates Act)**

- (4) On the first 30% of market value of public service infrastructure
- (5) On any part of the seashore as defined in the Seashore Act
- (6) On any part of the territorial waters of the Republic in terms of the Marine Zones Act (15/1994)
- (7) On any island of which the state is the owner including the Prince Edward Islands
- (8) On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003), or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004) which are not developed or used for commercial, business, agricultural or residential purposes.
- (9) On a mineral right within the definition of property.
- (10) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of deeds
- (11) On the first R 15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll to a category determined as residential property or multiple used property provided that one or more component is used for residential purposes.
- (12) On property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence

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registered in the name of that community, which is occupied by an office-bearer of that community who is, officiates at services at that place of worship.

***(The exclusion lapses if not used for the purposes as indicated above).***  
**(See conditions under section 17(2-5) of the Property Rates Act)**

### **13. EXEMPTIONS, REBATES AND REDUCTIONS**

1. The following criteria may be taken into consideration for the purpose of granting exemptions, reductions and rebates:
  - indigent status of the owner of a property;
  - income of the owner and/or household on a property;
  - Owners temporarily without income
  - The services provided to the community by public service organisations
  - The need to preserve the cultural heritage of the local community
  - The need to encourage the expansion of public service infrastructure
  - The indispensable contribution which property developers make towards local economic development and the continuing needs to encourage such development
  - market value of residential property below a determined threshold;
  - owners of property situated within an area affected by –
    - a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
    - any other serious adverse social or economic conditions;
  - zoning and/or actual use of the property; and
  - availability of services funded by rates for a property.

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2. To qualify for the rebate a property owner must:
- (i) occupy the property as his/her normal residence;
  - (ii) be at least 60 years of age **or** in receipt of a disability pension from the Department of Social Development;
  - (iii) be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding R 5,000.00;
  - (iv) not be the owner of more than one property.
  - ~~(v) Sectional titles with a unit for the apartment and a separate garage unit number will be dealt as one unit and will be granted a rebate on both accounts; and~~
  - (vi) provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
  - (vii) Owners of rateable property registered in the name of institutions or organizations, which in the opinion of the council, performs welfare, charitable and humanitarian work; cultural work; amateur sport and social activities; protect or maintain collections or buildings of historical or cultural interest, including art galleries, archives and libraries; conservation; environment and animal welfare; education and development; health care; agricultural (Experimental farms); municipal property and usage where the council is engaged in land sales transactions which take place after the financial year has started; where the municipality register a road reserve or servitude on a privately owned property a pro-rata rebate equal to the value of the reserve or servitude will be given to the owner; state hospitals, clinics and institutions for mentally ill persons, which are not performed for gain.
  - (viii) Owners who own a second property, where someone else has a permanent right to life, and cannot use the property until the beneficiary dies, can apply, and submit the necessary supporting documents with the application.

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Property owners must apply on a prescribed application form for a rebate as determined by the municipality.

Applications must be accompanied by—

- (i) a certified copy of the identity document or any other proof of the owner's age which is acceptable to the municipality;
- (ii) sufficient proof of income of the owner and his/her spouse;
- (iii) an affidavit from the owner;
- (iv) if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- (v) if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.

These applications must reach the municipality before the end of May preceding the start of the new municipal financial year for which relief is sought.

Rates rebate are calculated at 60% of the rates levied after the R 15 000.00 impermissible value has been deducted.

**Property owners who receive a pension from the Department of Social Services (SASSA), as indicate in Paragraph 13(2)(ii), will be regarded as a permanent indigent household from 1 July 2023, and will no longer have to renew the application, unless the circumstances change. All other application is valid until 30 June.**

The municipality retains the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.

### **13.1 EXEMPTIONS**

The following properties may be exempted from rates

- (i) municipal properties
- (ii) municipal public infrastructure
- (iii) informal settlements
- (iv) museums
- (v) national monuments
- (vi) property lower in value than the amount determined by the municipality
- (vii) a right registered against immovable property
- (viii) public benefit organizations use their property for specific public benefit activities and listed in part 1 of the 9th schedule of the Income Tax Act
- (ix) Cemeteries & Crematoriums
- (x) 30% of Public Service Infrastructure

### **13.2 REBATES**

#### **Categories of properties & owners**

Rebates for the following categories of owners will be considered:

- (d) Rebates in respect of income categories:

The following owners may be granted a rebate on, or a reduction in the rates payable on their property if they meet the following criteria-

- Registered owner of the property that resides on the property;
- Income must not exceed an amount annually set by the Council

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(e) Public benefit organisations:

(i) Welfare and humanitarian

Rateable property registered in the name of an institution or organisation, which, in the opinion of the council, performs welfare and humanitarian work as contemplated in the ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962).

Rateable property, registered in the name of a trustee or trustees or any organisation, which is maintained for the welfare of war veterans.

(ii) Cultural:

Rateable property registered in the name of Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any other organisation which in the opinion of the council is similar or any rateable property let by a council to any of the said organizations.

The promotions, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, proclaimed national heritage sites, museums, including art galleries, archives and libraries.

(iii) Sports:

Sports grounds used for the purpose of amateur and any social activities, which are connected with such sport.

(iv) Conservation, environment and animal welfare:

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Means properties that is registered in the name of an organisation or institution that is engaging in the conservation, rehabilitation or protection of the natural environment, including flora and fauna. Rateable property registered in the name of an institution or organisation, which has as its exclusive objective the protection of tame or wild animals or birds.

(v) Education and development:

Rateable property registered in the name of an educational institution established, declared or registered by or under any law.

(vi) Health care:

Rateable property registered in the name of an institution or organisation which has as its exclusive objective is health care or counselling of terminally ill persons or persons with a severe physical or mental disability and persons affected with HIV/AIDS.

(c) Agricultural (Experimental Farms):

Rateable property, registered in the name of an agricultural society affiliated to or recognised by the South African Agricultural Union, which is used for the purposes of such a society.

(d) Municipal property and usage:

A pro-rata rebate will be granted where the municipality is engaged in land sales transactions which have taken place after the financial year has started. Where the municipality registers a road reserve or servitude on a privately owned property a pro-rata rebate equal to the value of the reserve or servitude will be given to the owner of the property.



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(e) Municipal interim valuation:

When a municipal interim valuation is effected during a financial year a pro-rata rebate will be given from the beginning of the financial year until the interim valuation became effective as per Section 78 (2) b of the Act.

(f) Rateable property registered in the name of the Council, if such property is used in supplying electricity, water, or sewerage services

(g) State hospitals, state clinics and institutions for mentally ill persons, which are not operated for gain;

(h) Rateable property registered in the name of an institution or organisation which, in the opinion of the Council, performs charitable work;

(i) Local, Social and Economic Developments

The municipality may grant rebates to organisations that promote local, social and economic development in its area of jurisdiction based on the criteria determined in its local, social and economic development policy.

The following criteria will apply:

(a) job creation in the municipal area;

(b) social upliftment of the local community; and poverty alleviation to the indigents

(c) Improve local economic growth

(d) Promote service delivery

(j) Agricultural properties will be granted rebates as determined by Council in its annual Budget.

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(k) An additional 10% rebate, depending on the ratio of rates tariff levied, calculated as follow could also be granted:

i.	1 x Two bedroom houses on property	1.00%
ii.	2 x Two bedroom houses on property	2.00%
iii.	3 x Two bedroom houses on property	4.00%
iv.	>3 x Two bedroom houses on property	5.00%
v.	If electricity provided to worker's houses	0.25%
vi.	If water is provided to worker's houses	0.25%
vii.	If sewer is provided to worker's houses	0.25%
viii.	If refuse is removed from worker's houses	0.25%
ix.	If school on property or transport is provided to learners	1.00%
x.	If sport facilities on property	1.00%
xi.	If transport to nearest town is provided at no cost to workers at least once per month	1.00%
xii.	If training is provided to workers	1.00%

The above additional rebate will only be granted to Bona Fide farmers with submission of the following documentation with their application:

- (i) Proof of VAT registration
- (ii) Existing account must not be in arrears with the Municipality.
- (iii) Copy of I.D. document of all workers residing on the farm

Where the farming operations are spread across different property erven as registered at the Deeds office, the above rebate will be extended to all adjoining farms which are used as a combined farming operation. The additional rebate can only be granted on the value of property as it appears on the valuation roll. Properties of the same owner but valued separately cannot be added together for the calculation purposes.

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- (l) Disaster relief can be sought in years when the Municipal area or Region is classified as a disaster area by Provincial or National Authorities.

Agricultural Properties a disaster relief rebate of between 5 and 10% limited to the amount budgeted annually by the municipality.

The application must be lodged on the prescribed form and must include proof of substantial loss of income because of the disaster. Evidence can include, but is not limited to:

1. Audited Financial Statements or Management Accounts
2. Produce delivery statements
3. Letter from the Company's Banker stating the year-on-year loss of income

Applications will be considered by the Financial Services committee and recommend for approval to the Executive Mayoral Committee.

Applications for the rebate must be submitted before the 15 July of the financial year for which relief is sought. Late applications may be considered for a pro-rata approval based on date of receipt of application.

#### **14. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS, PHASING IN OF RATES**

- (1) During the budget process the Chief Financial Officer must inform council of all the costs associated with the suggested exemptions, rebates, reductions, phasing in of rates.
- (2) Provisions must be made in the operating budget –

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- (a) for the full potential income associated with property rates; and
- (b) for the full costs associated with exemptions, rebates, reductions, phasing in of rates.
- (c) A list of all exemptions, rebates, reductions, exclusions, phasing in etc. must be tabled before council.

## **15. ADDITIONAL RATING AREA**

The municipality may by council resolution determine an area within its boundaries as a special rating area for the purpose of raising funds for improving or upgrading that area; and differentiate between categories of property when levying an additional rate

Before determining a special rating area the municipality must consult the local community on the proposed boundaries of the area, the proposed improvement or upgrading of the area and obtain the consent of the majority of the ratepayers in that proposed special rating area.

The municipality must determine the boundaries and indicate how the area is to be improved or upgraded by the funds derived from the additional rate. Establish a separate accounting and record-keeping system regarding the revenue generated by the special rate and the improvement or upgrading of the area.

The municipality may establish a committee composed of persons representing the community to act as a consultative and advisory forum. Representatively, including gender must be taken into account when such a committee is established.

## **16. RATE INCREASES/DECREASES**

- (2) The municipality may consider increasing/decreasing rates annually during the budget process.
- (2) Rate increases will be used to finance the increase in operating costs of rates funded services.
- (3) Rates adjustments may be made taking into account all or any of the following factors:
  - all salary and wage increases as agreed at the South African Local Government Bargaining Council;
  - inflation;
  - the cost of capital;
  - statutory increases affecting the Municipality; and
  - increases or decreases on operating subsidies received

## **17. NOTIFICATION OF RATES**

- (1) The council will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days' notice will be based on the new rates.
- (2) A notice stating council's resolution, date on which the new rates shall become operational will be published in the media and the **Provincial Gazette** and displayed by the municipality at places installed for that purpose.

## **18. CORRECTION OF ERRORS AND OMISSIONS**

Where the rates levied on a particular property have been incorrectly determined, whether by an error or omission on the part of the municipality, or false information provided by the property owner concerned, or a contravention of the permitted use to which the property concerned may be

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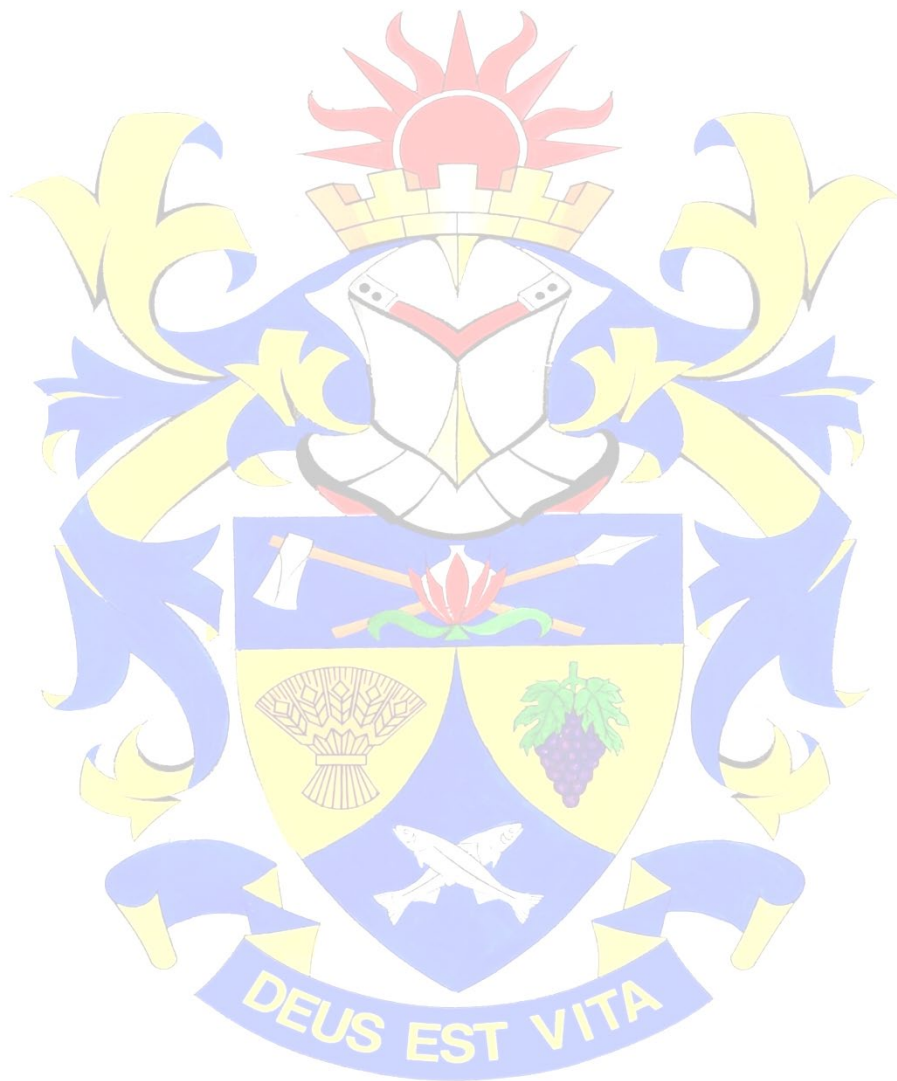
put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected, back to the date on which rates were first levied in terms of the current valuation roll. In addition, where the error occurred because of false information provided by the property owner or because of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

**19. SHORT TITLE**

This policy is the **Rates Policy** of the **Bergrivier Local Municipality**.

# BERGRIVIER

Munisipaliteit/Municipality



**TARIEF BELEID**

# INHOUDSOPGAW E

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**1. ALGEMENE INLEIDING EN DOELWIT**

- 1.1 Ingevolge die bepalings van artikel 74 van die Wet op Plaaslike Regering: Munisipale Stelselwet, Wet 32 van 2000, moet 'n tariefbeleid saamgestel, goedgekeur en geïmplementeer word en moet sodanige beleid onder andere voorsiening maak vir die heffing van fooie vir die lewering van munisipale dienste deur die munisipaliteit self of ooreenkomstige dienslewering-ooreenkomste. Alle munisipale dienste word tans gelewer deur die Munisipaliteit en is geen dienslewering ooreenkomste van toepassing nie.
- 1.2 Die tariefbeleid is saamgestel met inagneming, waar toepaslik, van die riglyne soos uiteengesit in artikel 74 van die Stelselwet.
- 1.3 Wanneer die Raad die jaarlikse tariewe vasstel, moet tariewe wat elders geld in die Weskus Distriksgebied in ag geneem word asook die impak wat die raad se eie tariewe kan hê op plaaslike ekonomiese ontwikkeling.

**2. ALGEMENE BEGINSELS**

- 2.1 Dienstetariewe wat neergelê word deur die munisipaliteit moet gesien word as verbruikersheffings en nie as belastings nie en dus kan die vermoë om te betaal vir die dienste van die betrokke verbruikers of gebruikers van dienste waarop die tariewe van toepassing is, nie as relevante kriteria oorweeg word nie (behalwe in die geval van noodlenigingsmaatreëls soos van tyd tot tyd goedgekeur deur die munisipaliteit).
- 2.2 Die munisipaliteit moet toesien dat tariewe eenvormig en regverdig deur die hele munisipale gebied toegepas word.
- 2.3 Tariewe vir die vier grootste dienste wat deur die munisipaliteit gelewer word, naamlik:
  - 2.3.1 elektrisiteit
  - 2.3.2 water
  - 2.3.3 riool (afvalwater)
  - 2.3.4 vullisverwydering (soliede afval)

Moet sover moontlik uitgawes verhaal wat verband hou met die lewering van elke betrokke diens en die rekening bedryf soos handelsrekenings, behalwe in die geval van vullisverwydering. Die tarief wat deur 'n bepaalde verbruiker of verbruiker betaal word, moet direk verband hou met die diens gelewer en die hoeveelheid wat gebruik is.

(Let wel: Belastings word eksklusief aangespreek in 'n belastingbeleid en word gevolglik uitgesluit uit hierdie beleidsdokument)

- 2.4 Die Raad moet 'n noodlenigingshulpprogram vir die munisipale gebied ontwikkel, goedkeur en ten minste jaarliks hersien. Die program moet die munisipaliteit se invorderingsbeleid duidelik uiteensit ten opsigte van tariewe wat gehef is op geregistreerde hulpbehoewendes en die implikasie van so 'n beleid op ander

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verbruikers en verbruikers in die munisipale gebied. (Vir die doel het die Raad reeds 'n volledige goedgekeurde deernisbeleid aan hulpbehoewende gesinne – 'indigent').

- 2.5 Die munisipaliteit kan, in lyn met die beginsels vervat in die Grondwet en ander wetgewing ten opsigte van plaaslike regering, onderskeid tref tussen die verskillende verbruikers- en verbruikerskategorieë met betrekking tot die tariewe wat gehef word. Sulke onderskeid moet nogtans ten alle tye redelik wees en moet volledig uiteengesit word in elke jaarlikse begroting.
- 2.6 Die munisipaliteit se tariefbeleid moet deursigtig wees en die mate waartoe daar 'n kruissubsidie tussen die kategorieë verbruikers en verbruikers bestaan, moet duidelik wees vir alle verbruikers en verbruikers van die betrokke diens.
- 2.7 Die munisipaliteit moet verder toesien dat die tariewe maklik verstaanbaar is deur alle verbruikers en verbruikers wat deur die tariefbeleid geraak word.
- 2.8 Die munisipaliteit moet ook toesien dat dienste koste-effektief gelewer word ten einde die beste moontlike koste van dienslewering te verseker.
- 2.9 In die geval waar dienste direk gemeet kan word, naamlik elektrisiteit en water, moet die verbruik van hierdie dienste behoorlik gemeet word deur die munisipaliteit en meters moet op 'n maandelikse basis gelees word, soos omstandighede dit redelik toelaat, of waar nie van voorafbetaalde meters gebruik gemaak word nie. Die kostes wat ten opsigte van verbruikers gehef word, moet in verhouding wees met die hoeveelheid eenhede wat hulle verbruik.
- 2.10 Daarbenewens kan die munisipaliteit maandeliks beskikbaarheidsfooie of basiese fooie hef vir die betrokke dienste en kostes moet bepaal word vir elke tipe diens soos bepaal ingevolge die beleidsriglyne hieronder uiteengesit. Gewoonlik betaal verbruikers van water en elektrisiteit dus twee heffings: basiese vaste koste, wat nie verband hou met die volume van verbruik nie en wat gehef word ten opsigte van die beskikbaarheid van die betrokke diens; die ander hou direk verband met die verbruik van die betrokke diens.
- 2.11 Wanneer die koste van water, elektrisiteit en riooldienste oorweeg word, moet die munisipaliteit die kapitaalkoste in ag neem met betrekking tot die daarstelling en uitbreiding van sodanige dienste en van die gevolglike vaste koste in teenstelling met die wisselende koste om hierdie dienste te administreer. Die munisipaliteit moet dus onderneem om die bestuur en uitbreiding van dienste versigtig te beplan ten einde te verseker dat voldoende voorsiening gemaak is ten opsigte van sowel die huidige asook toekomstige verbruik en dat hierdie vlakke, wat kan wissel, oor korter tydperke ook aangespreek word. Dit kan beteken dat die dienste teen minder as die volle kapasiteit oor verskillende tydperke gelewer word en moet voorsiening in die jaarlikse tariewe gemaak word vir die koste verbonde aan hierdie surplus kapasiteit.
- 2.12 Wanneer 'n tweeledige tariewestruktuur, naamlik die basiese fooi gekoppel aan 'n heffing, asook op verbruike, goedgekeur word, is die munisipaliteit van mening

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dat voldoende voorsiening gemaak is in die behoeftes van beide toekomstige ontwikkeling en wisselende aanvraag siklusse asook ander afwykings.

- 2.13 Dit word ook aanvaar dat 'n gedeelte van die munisipaliteit se tariewe beleid vir elektriese dienste moet verseker dat sodanige verbruikers, wie hoofsaaklik verantwoordelik is vir spits tyd verbruik en gevolglik verwante gebruik heffings by Eskom tot gevolg het, die koste ten opsigte van hierdie heffings moet dra. Vir hierdie doeleindes moet die munisipaliteit meters installeer ten einde die maksimum aanvraag van sodanige verbruikers oor 'n bepaalde tydperk te monitor. Hierdie verbruikers betaal dus die betrokke aanvraag heffing sowel as 'n dienste-heffing wat direk verband hou met die werklike verbruik van elektrisiteit gedurende die bepaalde meter tydperk.
- 2.14 Die Raad kan ook as aansporingsmaatreëls om ontwikkeling te stimuleer en aan te moedig, tariewe en heffings vrystel, tydelik vrystel en/of rabatte instel. Die toekenning van aansporingsmaatreëls sal in elk geval op meriete, individueel beoordeel word en sal die toekenning daarvan gebaseer word op grond van swartbemaatiging, werkskepping, ens.
- 2.15 Waar daar meer as een aansluiting vir 'n diens per erf is, sal elke aansluiting geag word as 'n aansluitingspunt en sal die basiese dienste op elke aansluiting van toepassing wees. (Uitgesluit openbare oop ruimtes)

**3. BEPALING VAN TARIEWE VIR GROOTMAATDIENSTE**

- 3.1 Ten einde tariewe te bepaal wat gehê moet word vir die verskaffing van die vier groot dienste, moet die munisipaliteit die lopende koste identifiseer, wat die volgende insluit:
- 3.1.1 Koste van grootmaat aankope in die geval van water en elektrisiteit;
- 3.1.2 Verspreidingskoste;
- 3.1.3 Verspreiding verliese in die geval van elektrisiteit en water.
- 3.1.4 Waardevermindering;
- 3.1.5 Onderhoud van infrastruktuur en ander vaste bates;
- 3.1.6 Administrasie en dienste koste, insluitend –
- 3.1.6.1 kostes gehê deur ander departemente;
- 3.1.6.2 redelike algemene oorhoofse uitgawes, byvoorbeeld koste wat verband hou met die kantoor van die munisipale bestuurder.
- 3.2 Voldoende bydraes met betrekking tot slegte skuld.
- 3.3 Alle ander werk uitgawes wat verband hou met die betrokke diens, insluitend, in die geval van elektrisiteit, die koste om straatbeligting in die munisipale gebied

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te voorsien (let wel – die koste van die demokratiese proses binne die munisipaliteit, d.i. alle uitgawes wat verband hou met die politieke struktuur van die munisipaliteit, moet deel vorm van die uitgawes wat gefinansier word deur erfbelasting en algemene inkomstes, en mag nie ingesluit word in die koste van grootmaat dienste gelewer deur die munisipaliteit nie).

3.4 Die verwagte surplus wat vir die finansiële jaar gegeneer word, moet soos volg aangewend word:

3.4.1 toewysing aan kapitaal reserwes; en/of

3.4.2 in die algemeen om belasting en algemene dienste te verlig.

## **4. ELEKTRISITEIT**

4.1 Die toepaslike tariewe, soos goedgekeur deur die Raad, moet gehef word ten opsigte van die onderskeie kategorieë elektrisiteitsverbruikers, soos hieronder uiteengesit,

4.2 Tariefaanpassings sal in werking tree vanaf die eerste rekening wat gelewer word na 1 Julie van elke jaar.

4.3 Die verbruik- en heffingskategorieë is soos volg:

4.3.1 Alle gemete elektrisiteitsverbruikers moet 'n rekening ontvang ten opsigte van elektrisiteitsverbruik, gehef teen die toepaslike kategorie waarin die betrokke verbruiker val.

4.4 Ten einde elektrisiteit verbruik te bestuur, word bloktariewe in die vorm van glyskale gebruik.

4.5 Die munisipaliteit verskaf die eerste 50 kwh elektrisiteit per maand gratis slegs aan geregistreerde hulpbehoewendes deernisgevalle, waar die aansluiting vrywilliglik tot 20 ampère beperk word.

4.6 Alle ander huishoudelike elektrisiteitsverbruikers, met uitsluiting van gebruikers in 4.5 moet addisioneel aangeslaan word vir 'n basiese heffing per geïnstalleerde meter.

4.7 Alle handel-, nywerheid- en ander nie-huishoudelike eiendom met konvensionele meters moet addisioneel aangeslaan word met 'n maandelikse basiese heffing per meter en waar toepaslik, moet 'n aanvraagheffing wat verband hou met hulle onderskeie vlakke van verbruik, ingestel word.

4.8 Waar 'n verbruiker (dienspunt) nie aan die elektrisiteitsnetwerkstelsel gekoppel is nie, maar redelikerwys so gekoppel kan word weens die beskikbaarheid van die diens by die eiendom, sal 'n beskikbaarheidstarief betaalbaar wees. Die tarief word vasgestel as 'n persentasie van die basiese heffing van toepassing op gekoppelde verbruikers (dienspunte) per kategorie. Die aansluitingsheffing sal gebaseer wees op die standaard ontwerpte 2 aansluitings vir die toepaslike

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eiendom. (60 Ampere enkelfase vir residensiële erwe en 60 Ampere driefase vir kommersiële erwe)

- 4.9 Die munisipaliteit se departementele elektrisiteitsverbruik moet teen kosprys gehef word.

**5 WATER**

'n Tweeledige tarief sal van toepassing wees op alle waterverbruikers, die tarief sal bestaan uit 'n vaste komponent in die vorm van 'n basiese heffing wat van toepassing is op alle verbruikers wat deur die waterverspreidingsnetwerk watertoevoer ontvang, hetsy by wyse van 'n enkel of gedeelde aansluiting en 'n verbruiksheffing gebaseer op die gemeterde verbruik.

- 5.1 Waterverbruik sal gebaseer word op die onderskeie kategorieë van verbruikers, en moet gehef word teen die toepaslike tariewe soos goedgekeur deur die Raad tydens elke jaarlikse begroting.
- 5.2 Tarief aanpassings sal in werking tree vanaf die eerste rekening wat gelewer word na 1 Julie van elke jaar.
- 5.3 Hulpbehoewende huishoudelike waterverbruikers, ontvang die eerste 6 (ses) kiloliter water wat per maand gebruik word, gratis. Daarna sal 'n progressiewe tarief per kiloliter geld soos vasgestel deur die Raad van tyd tot tyd en soos uiteengesit in die jaarlikse tariefvasstelling wat deur die Raad goedgekeur word.
- 5.4 'n Basiese heffing per watermeter gebaseer op die grootte van aansluiting kan deur die Raad van tyd tot tyd vasgestel word en sal geld ten opsigte van alle waterverbruikers.
- 5.5 Waar meer as een Vrystaande/gedeeltelik vrystaande, selfonderhoudende wooneenheid of besigheidseenheid op 'n perseel van water voorsien word, hetsy deur gebruik te maak van 'n enkele gedeelde water aansluiting of meerdere individuele aansluitings, sal 'n basiese heffing soos van toepassing op die betrokke kategorie van verbruiker op elke gebruiker wat deur die betrokke aansluiting(s) voorsien word van toepassing wees.

5.6

'n Verbruiker(s) (dienspunt) wat nie aan die waterdiens gekoppel is nie, maar redelikerwys gekoppel kan word en waar dienste geredelik beskikbaar is vir koppeling deur die eienaar sal 'n beskikbaarheidstarief betaal.

Die vaste koste per verbruiker (dienspunt) per kategorie sal as basis gebruik word om 'n beskikbaarheidshoffing per erf te bepaal. Die tarief word vasgestel deur 'n toeslag, soos jaarliks in die tariefskedule vervat word, by te voeg tot die basiese heffing van toepassing op gekoppelde verbruikers (dienspunte) per kategorie.

('n Privaat oop ruimte sonder 'n diensverbinding is uitgesluit van bogenoemde beskikbaarheidsfooi)

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5.7 Die munisipaliteit se departementele waterverbruik sal teen kosprys aangeslaan word.

**6 VULLISVERWYDERING**

6.1 Die kategorieë vullisverwyderingverbruikers soos hieronder uiteengesit, moet aangeslaan word teen die toepaslike tariewe, soos goedgekeur deur die Raad tydens elke jaarlikse begroting.

6.2 Tariefaanpassings sal in werking tree vanaf die eerste rekening wat gelewer word na 1 Julie van elke jaar.

6.3 'n Aparte vaste maandelikse vullisverwyderingheffing is op elk van die volgende kategorieë verbruikers van toepassing, gebaseer op die koste van die betrokke diens:

6.3.1 Huishoudelike en ander verbruikers (verwydering een keer per week)

6.3.2 Besighede en ander verbruikers (verwydering twee keer per week)

6.4 Die hoeveelheid vullis wat gegengereer word deur 'n verbruiker sal bepaal hoeveel eenhede elke verbruiker moet betaal vir die diens wat gelewer word. 'n Fisiese opname sal van tyd tot tyd gedoen word ten einde die volumes te bepaal en om te verseker dat verbruikers korrek aangeslaan word volgens die hoeveelheid vullis wat gegengereer word.

6.5 Geregistreerde hulpbehoewendes kan korting kry op hierdie heffing soos deur die Raad bekostigbaar geag tydens die goedkeuring van elke jaarlikse begroting, maar met die verstandhouding dat sodanige korting nie meer as 100% van die maandelikse rekening ten opsigte van die vullisverwydering heffing beloop nie.

6.6 'n Besikbaarheidsheffing sal op onverbeterde eiendom ingestel word. Die tarief sal bereken word as 'n persentasie van die huishoudelike tarief van toepassing op gekoppelde verbruikers (dienspunte) per kategorie soos jaarliks in die tariefskedule van die munisipaliteit bepaal.

Die tarief is betaalbaar waar 'n vullisdiens aan omliggende erwe gelewer word of waar die diens van die munisipaliteit die area ter enige tyd kan diens met bestaande toerusting, personeel en infrastruktuur op aanvraag van verbruikers of ten tye van die aanbring van verbetering op 'n eiendom.

6.7 'n Vaste maandelikse heffing, wat nie die huishoudelike heffing mag oorskry nie, is betaalbaar deur die munisipaliteit se departemente.

6.8 Dit is die plig van elke eienaar van 'n besigheid, van 'n winkel of handelsperseel om toe te sien dat die sypaadjie voor of aangrensend aan die perseel, skoon en vry gehou word van vullis wat van sodanige perseel afkomstig is of wat voortspruit uit die verskaffing of verkoop van goedere vanuit sodanige perseel. Indien dit nie gedoen word nie, kan die Munisipaliteit 'n tarief bepaal en die koste teen die eienaar se dienste rekening hef.

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**7 RIOOL**

- 7.1 Die kategorieë van rioolverbruikers soos hieronder uiteengesit moet maandeliks aangeslaan word teen die toepaslike tarief soos goedgekeur deur die Raad tydens elke jaarlikse begroting.
- 7.2 Tariefaanpassings sal in werking tree vanaf die eerste rekening wat gelewer word na 1 Julie van elke jaar.
- 7.3 Die kategorieë vir gebruik en heffings is soos volg:
- 7.3.1 'n Vaste maandelikse fooi gebaseer op die koste van die diens moet gehef word ten opsigte van alle huishoudelike wooneenhede insluitende woonstelle, deeltitel- en tyddeeleenhede.
  - 7.3.2 Geregistreerde hulpbehoewendes kan korting ontvang mits die Raad dit as bekostigbaar ag tydens die goedkeuring van elke jaarlikse begroting, maar met die verstandhouding dat hierdie korting nie meer as 100% van die maandelikse rekening vir hierdie diens sal beloop nie.
  - 7.3.3 'n Vaste maandelikse fooi, gebaseer op die koste vir die diens moet gehef word ten opsigte van alle besighede, nywerhede en institusionele verbruikers.
  - 7.3.4 Waar meer as een Vrystaande/gedeeltelik vrystaande, selfonderhoudende wooneenheid of besigheidseenheid aan die spoelrioolstelsel van die munisipaliteit gekoppel is, hetsy by wyse van 'n aparte of gedeelde riool aansluiting, sal 'n fooi gelykstaande aan die basiese heffing op elke gebruiker van toepassing wees
  - 7.3.5 'n Vaste maandelikse fooi gelykstaande aan die laagste (huishoudelike) tarief, moet gehef word ten opsigte van die munisipaliteit se departemente.
  - 7.3.6 'n Afvalwaterfooi is voorts betaalbaar deur fabriek en ander nywerhede waar afvalwater, wat afkomstig is vanaf hierdie kategorie van verbruikers, spesiale suiweringsmaatreëls deur die munisipaliteit vereis. Sodanige fooie sal gebaseer word op die toksiese inhoud van die betrokke afvalwater en die koste vir die suiwering.
  - 7.3.7 Alle erwe wat na die mening van die Hoof Siviele Ingenieur van die Munisipaliteit by die rioolstelsel van die munisipaliteit aangesluit kan word weens die beskikbaarheid van die infrastruktuur/diens by die erfgrans sal 'n beskikbaarheidsheffing betaal gebaseer op die grootte van die erf en vaste koste verbonde aan die diens. Die tarief vir onbeboude eiendomme word jaarliks vasgestel as 'n persentasie van die basiese rioolheffing van toepassing op gekoppelde verbruikers (dienspunte) per kategorie.

**8 ANDER TARIIEWE**

- 8.1 Ander tariewe, naamlik alle tariewe uitgesonder water, elektrisiteit, riool en vullisverwydering.
- 8.2. Alle ander tariewe moet gestandaardiseer wees binne die munisipale gebied

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- 8.3 Alle ander tariewe moet deur die Raad goedgekeur word tydens elke jaarlikse begroting en moet, waar raadsaam geag deur die Raad, deur erfbelasting en algemene inkomste gesubsidieer word, veral wanneer die tariewe onekonomies blyk te wees wanneer die betrokke diens se koste gedek moet word, of wanneer die koste nie akkuraat bepaal kan word nie, of wanneer die tarief daarop gemik is slegs om die betrokke diens of gerief te reguleer eerder as te finansier.
- 8.4 Alle ander tariewe waaroor die munisipaliteit volle beheer het en wat nie direk verband hou met die koste van 'n betrokke diens nie, moet jaarliks aangepas word om ten minste in lyn te wees met die heersende verbruikersprysindeks, mits daar goeie redes is hoekom 'n aanpassing nie gedoen gaan word nie.
- 8.5 Die volgende dienste behoort as gesubsidieerde dienste geag word en die tariewe gehef behoort sover moontlik die jaarlikse werklike uitgawes waarvoor begroot is te dek vir die betrokke diens:
- 8.5.1 begrafnisse en begraafplase
  - 8.5.2 huur vir die gebruik van munisipale sportfasiliteite
  - 8.5.3 munisipale swembad
  - 8.5.4 munisipale museums
  - 8.5.5 verwydering van tuin-en besigheids afval na die munisipale stortingsterrein
  - 8.5.6 ander diverse tariewe bv. verhuur van toerusting, bouplangelde, grondgebruik beplanning, ens.
- 8.6 Die volgende dienste moet as gemeenskapsdienste beskou word en geen tariewe mag gehef word vir die gebruik daarvan nie:
- 8.6.1 munisipale biblioteek (behalwe vir boetes)
  - 8.6.2 munisipale tuine en alle ander parke en openbare oop ruimtes
- 8.7 Die volgende dienste behoort as ekonomiese dienste beskou word en die tariewe gehef behoort 100%, of so na as moontlik aan 100%, die begrote jaarlikse werklike uitgawes van die betrokke diens dek. Onderstaande is van toepassing op die dienste wel gelewer deur die Munisipaliteit.
- 8.7.1 huishuur
  - 8.7.2 huur vir die gebruik van munisipale sale en ander persele (onderworpe aan die voorwaardes soos hieronder uiteengesit)
  - 8.7.3 bouplanfooie
  - 8.7.4 verkoop van plastiek vullissakke
  - 8.7.5 skoonmaak van persele
  - 8.7.6 elektrisiteit, water, riool, nuwe aansluitingsfooie
  - 8.7.7 fotostatiese afdrukke en fooie
  - 8.7.8 uitklaringsertifikate en ander sertifikate (bv. sonering)
  - 8.7.9 aansoekfooie vir grondgebruik
  - 8.7.10 dorpskaarte en soneringsplanne



**Bergrivier Munisipaliteit**  
**Tarief Beleid**

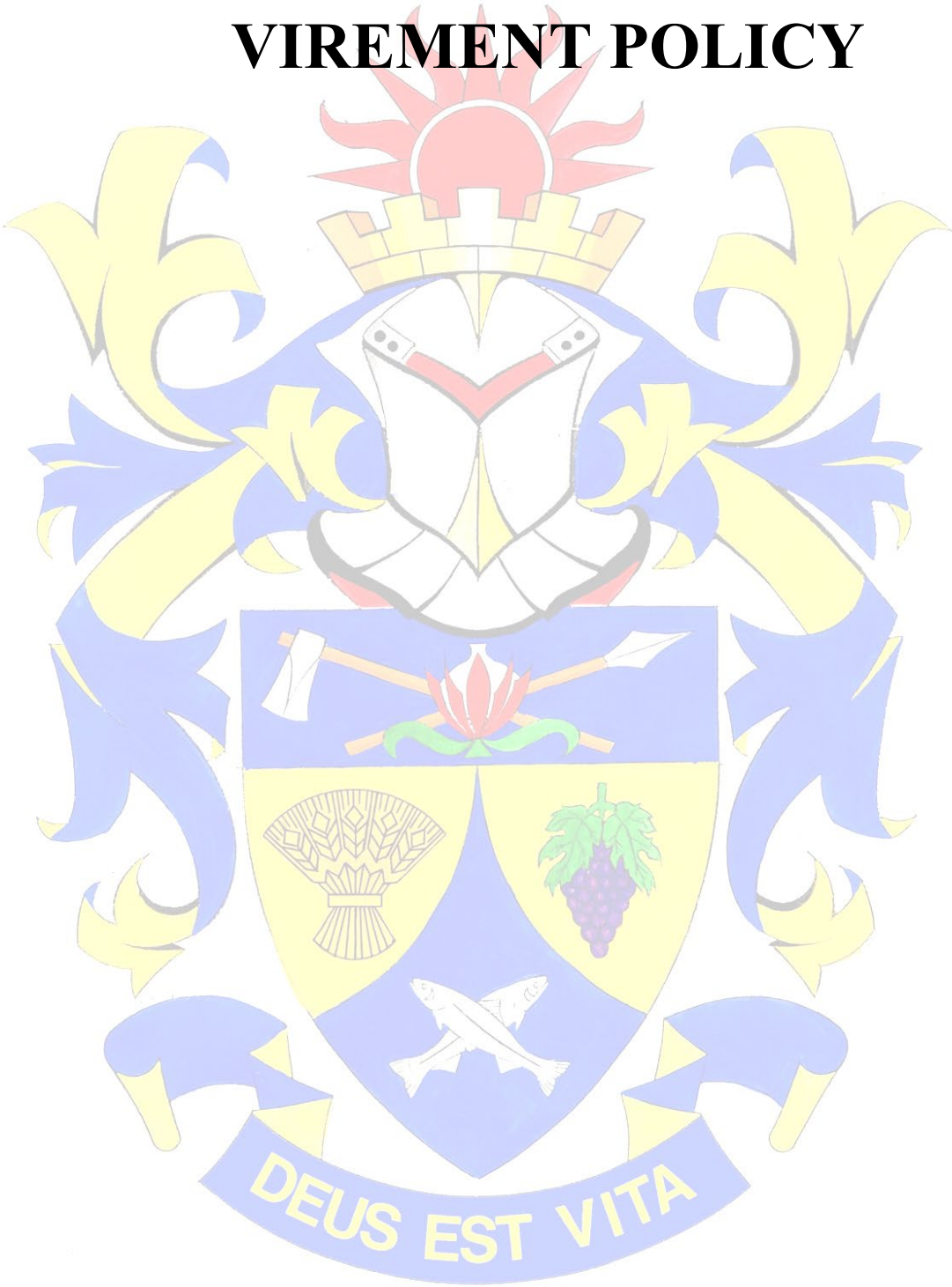
- 8.8 Die volgende heffings en tariewe, waar van toepassing, moet as 'n regulerende of strafmaatreël oorweeg word en moet toepaslik oorweeg word tydens elke jaarlikse begroting.
- 8.8.1 boetes vir verlore of laat biblioteekboeke
  - 8.8.2 skutfooie en insleepfooie
  - 8.8.3 elektrisiteit, water, afsluitings- en aansluitingsfooie
  - 8.8.4 boetes en ander heffings neergelê ingevolge die goedgekeurde beleid ten opsigte van kredietbeheer en skuldinvordering.
- 8.9 Markverwante huur moet gehef word ten opsigte van die verhuring van elke munisipale eiendom, insluitende karavaanparke en strandoorde.
- 8.10 Indien die munisipale bestuurder tevrede is dat sale en persele benodig word vir nie-winsgewende instansies en vir die lewering van 'n diens aan die gemeenskap, kan die munisipale bestuurder tot 100% afslag toestaan ten opsigte van die betrokke huur.
- 8.11 Die munisipale bestuurder moet bepaal of enige vrywaring of waarborge gegee moet word ten opsigte van die huur van munisipale sale, persele en sportgronde en moet in ag neem watter skade die munisipaliteit kan ly as gevolg van die gebruik van die betrokke fasiliteite.

**9 BESKIKBAARHEIDSFOOIE**

- 9.1 Beskikbaarheid fooie, soos jaarliks in sy begroting deur die raad bepaal, ten opsigte van Water, Elektrisiteit, Riool en Vullisverwydering is betaalbaar deur alle eienaars van onbeboude eiendomme waar geeneen van die dienste aangesluit is nie maar redelikerwys aangesluit kan word. Indien een of meer van hierdie dienste aangesluit word, sal die basiese fooie t.o.v. al die dienste wat redelikerwys aangesluit kan word, geld soos bepaal in die gedeelte van hierdie beleidsdokument wat daarmee handel.
- 9.2 Die heffing van beskikbaarheidsheffings gee die verbruiker die reg tot die diens, wat ter enige tyd op aanvraag beskikbaar is vir koppeling.
- 9.3 Die fooie betaalbaar word onder elke diens bepaal.

**BERGRIVIER MUNICIPALITY**

**VIREMENT POLICY**



# VIREMENT POLICY

## 1 INTRODUCTION

The compilation of a virement policy is based on the guidelines issued in MFMA Circular No 51 and mSCOA Circular 8 published by National Treasury. The MFMA and the Municipal Budget and Reporting Regulations seek to move municipalities away from the traditional approach of appropriating/approving budgets by line item. The aim is to give the heads of municipal departments and programmes greater flexibility in managing their budgets. To further facilitate this, each municipality must put in place a council approved virements policy, which should provide clear guidance to managers of when they may shift funds between items, projects, programmes and votes.

- 1.1 Webster's New Millennium Dictionary of English defines "Virement" as "a regulated transfer or reallocation of money from one account to another, especially public funds."
- 1.2 A virement represents a flexible mechanism to effect budgetary amendments within a municipal financial year.
- 1.3 Changing circumstances and priorities during a financial period may give rise to a need to virement (transfer) funds within or between approved Votes, as defined in the Municipal Finance Management Act 56 of 2003(MFMA). The treatment of such instances may, however, be dependent on whether an adjustment budget is required or not.

## 2 PURPOSE

- 2.1 The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. A municipality's virement policy and its underlying administrative process within the system of delegations is one of these controls.
- 2.2 Section 81(1)(d) of the MFMA states inter alia that "The chief financial officer of a municipality...must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79;..."
- 2.3 It is the responsibility of each Director to which funds are allocated, to plan and conduct assigned operations so as not to expend more funds than budgeted and to ensure that funds are utilized effectively and efficiently.

2.4 Section 78(1) (b) of the MFMA states inter alia that:

“Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure...that the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently...”

2.5 This policy aims to provide guidelines to senior management in the use of virements as a mechanism in their day to day management of their budgets.

In addition it specifically aims to empower senior managers with an efficient financial– and budgetary system to ensure optimum service delivery within the current legislative framework of the MFMA and the municipality’s system of delegations.

### 3 DEFINITIONS

#### 3.1 **Accounting Officer (MFMA)**

(a) in relation to a municipal official referred to in Section 60 of the MFMA

#### 3.2 **Approved budget (MFMA)**

(a) means an annual budget approved by a municipal council, or

(b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28

#### 3.3 **Chief Financial Officer (MFMA)**

“a person designated in terms of section 80(2) (a)”

#### 3.4 **Cost Centre**

A Cost Centre is a logical point at which cost (expenditure) is managed by a responsible cost center owner. A cost center is identified by the second 3 digits of the ledger account number.

#### 3.5 **Cost Item**

Cost items distinguish between different cost sections or categories of expenditure. These are identified by the next 4 digits of the ledger account number.

### 3.6 **Director**

Section 56 of the System Act states inter alia that:

"Appointment of managers directly accountable to municipal managers (a) a municipal council, after consultation with the municipal manager, appoints a manager directly accountable to the municipal manager..."

### 3.7 **Financial Year**

The 12 month period between 1 July and 30 June of the following year.

### 3.8 **Vote (MFMA)**

3.8.1 "(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

(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned."

3.8.2 In the case of the Bergrivier Municipality the definition of Vote is set at Directorate level, with the exception being tariff funded services as a result of their closed account nature e.g. Electricity (*Cost Centre 621&622*), Water (*Cost Centre 511&512*), Waste Management (*Cost Centre 171&172*) and Waste Water Management (*Cost Centre 291&292*). In these cases "vote" is set at cost center level.

### 3.9 **Virement**

The process of transferring an approved budgetary provision from one operating cost center or capital project to another within a vote during a municipal financial year and which results from changed circumstances from that which prevailed at the time of the budget adoption.

## 4 MFMA REGULATIONS ON BUDGET VERSUS EXPENDITURE

4.1 The MFMA regulates as follows regarding the incurring of expenditure against budgetary provisions.

### 4.1.1 Section 15

Appropriation of funds for expenditure “A municipality may, except where otherwise provided in this Act, incur expenditure only

- (a) in terms of an approved budget, and
- (b) within the limits of the amounts appropriated for the different votes in an approved budget.”

### 4.1.2 Unauthorized Expenditure (MFMA Definition)

“in relation to a municipality, means any expenditure incurred by a Municipality otherwise than in accordance with section 15 of 11(3), and includes

- (a) Overspending of the total amount appropriated in the municipality’s approved budget
- (b) Overspending of the total amount appropriated for a vote in the approved Budget
- (c) Expenditure from a vote unrelated to the department or functional area covered by the vote
- (d) Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose
- (e) Spending of an allocation referred to in paragraph(b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of the allocation, or
- (f) A grant by the municipality otherwise than in accordance with this Act”

### 4.1.3 Overspending (MFMA Definition)

“in relation to the budget of a municipality means

- (a) causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the

vote to exceed the amount appropriated for that vote; or

(c) in relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section;”

#### 4.1.4 Section 71(1) (g) (iii) states inter alia

“(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:...(g) when necessary, an explanation of... (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget....”

## 5 VIREMENT REQUIREMENTS

- 5.1 The virement process represents the major mechanism to align and take corrective (financial/budgetary) action within a vote (Directorate) during a financial year.
- 5.2 In order for a vote (Directorate) to transfer funds from one cost center or capital project to another cost center or capital project, a saving has to be identified within the monetary limitations of the approved “giving” cost center or capital project allocations on the respective budgets.
- 5.3 Sufficient, (no committed) budgetary provision should be available within the “giving” vote’s cost center or project concerned to give effect to the budgetary transfer (virement). In addition, the transferring function must clearly indicate to which cost center or capital project the budget provision will be transferred to and provide a clear motivation for the transfer.
- 5.4 Any budgetary amendment of which the net impact will be a change to the total approved annual budget allocation and any other amendments not covered in this policy are to be considered for budgetary adoption via an adjustments budget (per MFMA Section 28)
- 5.5 In terms of Section 17 of the MFMA a municipality’s budget is divided into an operating and capital budget and consequently no virements are permitted between Operating and Capital Budgets.
- 5.6 Virements are not permissible between votes.

- 5.7 Virements between Trading and Rate funded functions are not allowed, due to the differing impacts on respective tariffs or Rates borne services' budgets, unless adopted via adjustment budgets (per MFMA Section 28)
- 5.8 Virements are subject to the approval of the relevant Director and Municipal Manager for her directorate.

## 6 OPERATING BUDGET VIREMENTS

- 6.1 Virements are not allowed to utilize special purpose budgetary allocations, adopted by Council as such and to which specific Council recommendations apply.
- 6.2 Sound motivations should be provided for all virements, as provided for on pro forma virement application documentation.
- 6.3 Specific virement limitations:
  - 6.3.1 No virements are permitted between cost item of employee related costs and other cost items within a cost center or vote without the written consent of both the municipal manager and the CFO.
  - 6.3.2 Remuneration of Councillors
    - (a) Virements are allowed to and from items within this expenditure with the written consent of the CFO.
  - 6.3.3 All virements must be approved for completeness before processing by the Budget and Treasury office.
  - 6.3.4 No virements are permitted to and from Grants and Subsidies Paid, except with the written consent of both the municipal manager and the CFO.
  - 6.3.5 No virements are permitted between cost items and repairs and maintenance votes without the written consent of the Municipal Manager and the CFO.
  - 6.3.6 No virements are permitted during an Adjustment budget process as determined by the Budget Office. Virements will only be allowed ~~Only~~ on approval by the CFO.

## 7 CAPITAL BUDGET VIREMENT

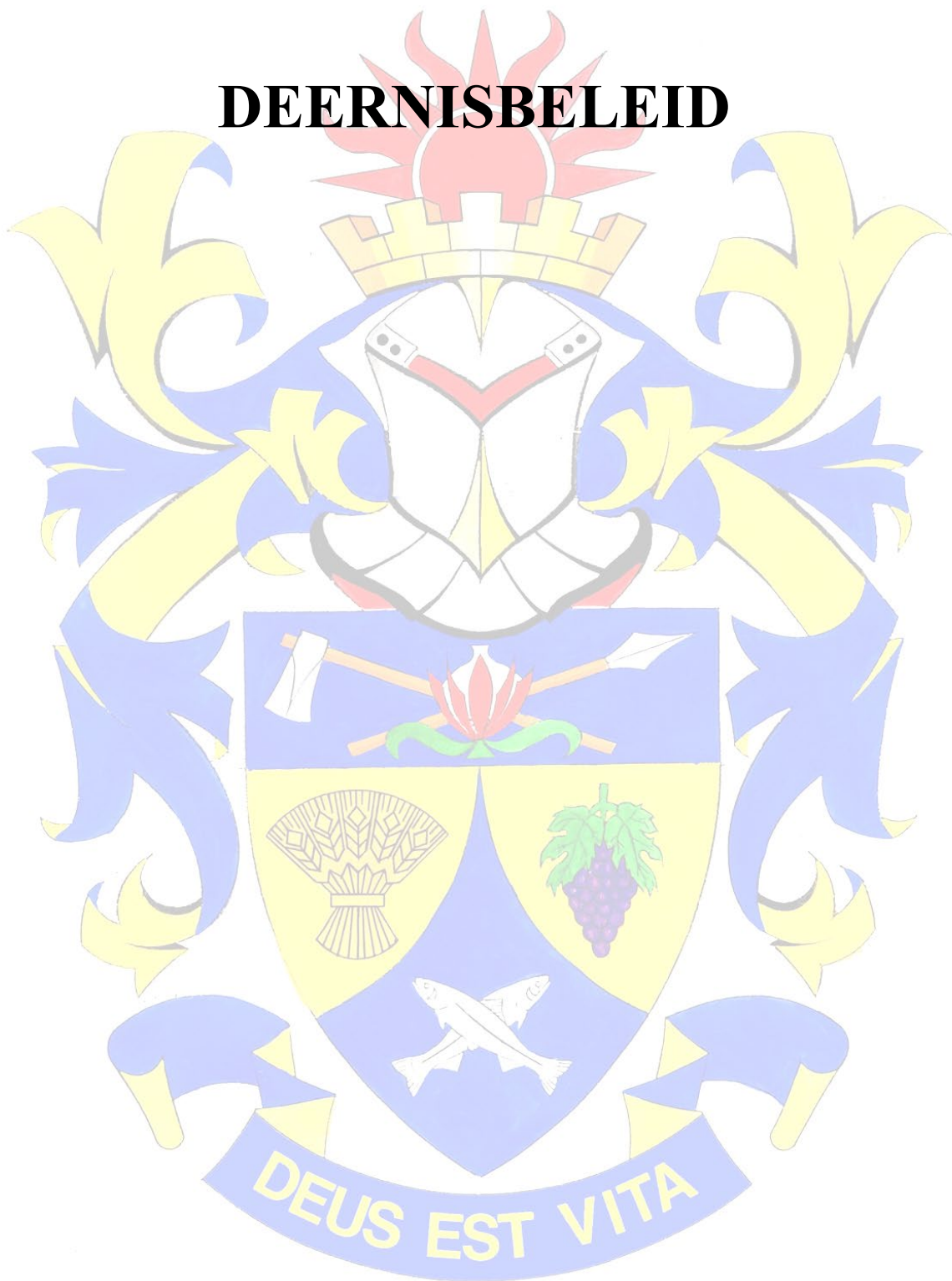
- 7.1 Specific virement limitations



- 7.1.1 Sound motivations should be provided for all virements, as provided for on pro forma virement documentation.
- 7.1.2 No virements are permitted to and from assets financed from different funding sources within a vote.
- 7.1.3 Virements are only allowed between asset classes within a vote at the discretion of the relevant Director and the Municipal Manager.
- 7.1.4 No virements of which the affect will be to add 'new' capital projects onto the capital budget, will be allowed, except for those associated with insurance claim settlements.
- 7.1.5 No virements are allowed between projects that are funded from external loans.
- 7.1.6 No virements will be allowed from specific priority service delivery areas as identified by Council from time to time

# BERGRIVIER MUNISIPALITEIT

## DEERNISBELEID



## INHOUDSOPGAWE

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## INLEIDING

Ingevolge artikel 96 van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 moet 'n Munisipaliteit –

- alle gelde invorder wat aan hom verskuldig en betaalbaar is, behoudens die bepalings van die Wet en enige ander toepaslike wetgewing; en
- vir dié doel, 'n kredietbeheer- en skuldinvorderingsbeleid aanneem, in standhou en implementeer wat nie strydig is nie met sy eiendomsbelastingbeleid en sy tariefbeleid en wat aan die bepalings van die Wet voldoen.

Ten einde uitvoering te gee aan die voorafgaande bepalings van die Wet het die raad van die Munisipaliteit Bergrivier 'n kredietbeheer- en skuldinvorderingsbeleid, soos hierna uiteengesit, aanvaar.

## HOOFSTUK 1

### WOORDOMSKRYWING

1. Vir die doeleindes van hierdie beleidsdokument het enige woord of uitdrukking waaraan 'n bepaalde betekenis geheg is in die Wet, dieselfde betekenis, tensy uit die samehang anders blyk, en beteken -

**“Direkteur: Finansiële Dienste”** 'n persoon wat deur die raad in dié hoedanigheid aangestel is om die raad se finansies te administreer en sluit enige persoon in –

- (1) wat in sodanige pos waarneem;
- (2) aan wie die Direkteur: Finansiële Dienste 'n bevoegdheid, funksie of verpligting gedelegeer het ten opsigte van sodanige gedelegeerde bevoegdheid, funksie of verpligting;

**“eienaar”** met betrekking tot onroerende goed—

- (1) die persoon by wie die regstitel daarvan berus;
- (2) in die geval waar die persoon by wie die regstitel daarvan berus, insolvent of oorlede is, of aan enige vorm van wetlike diskwalifikasie onderhewig is, dié persoon in wie die administrasie of beheer van sodanige onroerende goed berus as kurator, trustee, eksekuteur, administrateur, geregtelike bestuurder, likwidateur of enige ander wetlike verteenwoordiger;
- (3) in enige geval waar die raad nie in staat is om die identiteit van so 'n persoon te bepaal nie, 'n persoon wat geregtig is op die voordelige gebruik van sodanige onroerende goed;
- (4) in die geval van onroerende goed waarvoor 'n huurooreenkoms van 30 jaar of langer aangegaan is, die huurder daarvan;
- (5) met betrekking tot –

- (i) 'n gedeelte grond afgebaken op 'n deeltitelplan en wat geregistreer is ingevolge die Wet op Deeltitels, 1986 (Wet No. 95 van 1986), die ontwikkelaar of die bestuursliggaam ten opsigte van die gemeenskaplike eiendom;
  - (ii) 'n gedeelte grond soos gedefinieer in dié Wet, die persoon in wie se naam dié gedeelte geregistreer is ingevolge 'n deeltitelakte, insluitende die wettige aangestelde verteenwoordiger van sodanige persoon;
- (6) enige regspersoon insluitende, maar nie beperk nie tot:
- (i) 'n maatskappy geregistreer ingevolge die Wet op Maatskappye, 1973 (Wet No 61 van 1973), 'n trust *inter vivos*, trust *mortis causa*, 'n beslote korporasie geregistreer ingevolge die Wet op Beslote Korporasies, 1984 (Wet No 69 van 1984), en 'n vrywillige assosiasie;
  - (ii) enige staatsdepartement;
  - (iii) enige raad of bestuursliggaam ingestel ingevolge enige wetgewing van toepassing in die Republiek van Suid-Afrika; en
  - (iv) enige ambassade of ander buitelandse entiteit;

**“hulpbehoewende huishouding”** 'n huishouding wat as sulks by die Munisipaliteit geregistreer is en wat –

- (1) aan die kwalifikasie vereistes soos bepaal in paragraaf 21 hiervan, voldoen;  
en
- (2) 'n perseel binne die regsgebied van die Munisipaliteit okkupeer;

**“Munisipale Bestuurder”** die persoon wat deur die raad in dié hoedanigheid aangestel is ingevolge artikel 82 van die Wet op Plaaslike Regering: Munisipale Strukture Wet No 117 van 1998 en sluit enige persoon in –

- (1) wat in sodanige pos waarneem;
- (2) aan wie die Munisipale Bestuurder 'n bevoegdheid, funksie of verpligting gedelegeer het ten opsigte van sodanige gedelegeerde bevoegdheid, funksie of verpligting;

**“munisipale dienste”** die voorsiening van water, die voorsiening van elektrisiteit, die verwydering van huisvuilis, die wegdoen van rioolvuil of enige een of kombinasie van dié dienste;

**“Munisipaliteit”** die Munisipaliteit Bergrivier

**“perseel”** enige gedeelte grond, geleë binne die regsgebied van die munisipaliteit, waarvan die buite grense afgebaken is op:

- (1) 'n algemene plan of diagram wat geregistreer is ingevolge die Opmetingswet, 1927 (Wet no. 9 van 1927) of die Registrasie van Aktes Wet, 1937 (Wet no. 47 van 1937) of;
- (2) 'n deeltitelplan geregistreer ingevolge die Wet op Deeltitels, 1986 (Wet no. 95 van 1986);

**“raad”** die munisipale raad van die Munisipaliteit Bergrivier

**“rekening”** sluit in-

- (1) heffings, bobelasting of dienstegelde ten opsigte van die volgende dienste:
  - elektrisiteitsverbruik;
  - waterverbruik;
  - vullisverwydering;
  - riool dienste;
- (2) eiendomsbelasting;
- (3) huurgeld;
- (4) lenings paaieimente;
- (5) rente op agterstallige bedrae;
- (6) enige ander heffings en gelde wat regtens aan die Munisipaliteit verskuldig is;

en het **die “munisipale rekening”** 'n ooreenstemmende betekenis;

**"openbare welsynsorganisasie"** beteken 'n organisasie wat gespesifiseerde openbare welsynsaktiwiteite uitvoer soos omskryf in die Wet en geregistreer is ingevolge die Inkomstebelastingwet vir belastingvermindering as gevolg van daardie aktiwiteite

## HOOFSTUK 2

### FINANSIËLE BYSTAND AAN HULPBEHOEWENDE HUISHOUDINGS

#### INLEIDING

Bergrivier Munisipaliteit se visie is om 'n **voorstrewende gemeenskap** te skep waar almal wil leef, werk, leer en speel op 'n **menswaardige manier**. Die klem is op vooruitstrewendheid en menswaardigheid. Dit is twee kante van dieselfde muntstuk. Die Munisipaliteit wil voluit gaan vir vooruitstrewendheid, maar nie ten koste van menswaardigheid nie. Aan die anderkant word daar voluit gegaan vir menswaardigheid, maar nie ten koste van vooruitstrewendheid nie.

Hiermee ingedagte wil die Munisipaliteit 'n kultuur skep waar hulpbehoewende gesinne nie slegs 'n toelaag ontvang nie, maar waar die ontvangs van 'n toelaag (gratis basiese dienste) gekoppel word aan 'n verantwoordelikheid wat bereikbaar is en wat menswaardigheid kweek.

Bergrivier Munisipaliteit het soos baie ander gedeeltes in Suid-Afrika, 'n bewese uitdaging ten opsigte van ontydige skoolverlaters. In Bergrivier Munisipale Area is dit tot so hoog soos 40% (2015 Onderwys Departement statistiek). Om hierdie rede word daar van elke hulpbehoewende gesin, wat registreer vir gratis basiese dienste, verwag om te bewys dat alle kinders wat op die perseel woonagtig is, en wat wetlik verplig is om skoolgaande te wees, wel skoolgaande is. Die bewys hiervan sal tydens registrasie gelewer word en slegs die nuutste amptelike skoolrapport/skooluitslagadvies sal aanvaar word. Verder hiertoe sal ouers ook van 1 Julie 2019 'n "letter of good standing" van die skool moet kry, hierdie brief dui nie aan of skoolfonds betaal is nie, maar die ouer se betrokkenheid by die kind se skoolwerk en skool aktiwiteite in geheel.

#### **2. BRON VAN FINANSIËLE BYSTAND**

Finansiële bystand aan 'n hulpbehoewende huishouding word gefinansier uit –

- (1) finansiële toekennings deur die Nasionale Regering aan die Munisipaliteit vir dié doel, en
- (2) 'n bewilliging vir dié doel deur die Munisipaliteit en word die bedrag van sodanige bewilliging jaarliks deur die Raad bepaal tydens die opstel van die Raad se begroting.

#### **3. VEREISTES VIR REGISTRASIE AS 'N HULPBEHOEWENDE HUISHOUDING**

'n Huishouding wat as 'n hulpbehoewende huishouding wil registreer en vir finansiële bystand ingevolge die raad se beleid in dié verband in aanmerking wil kom, kan slegs as sulks geregistreer word indien –

- (a) die totale inkomste van al die lede van die huishouding wat normaalweg op 'n perseel woonagtig is, insluitende die inkomste van enige ander persoon wat saam

met die huishouding op sodanige perseel woon, **bereken word as twee staatspensioene plus 40%; tot 'n maksimum bedrag van R 5,000.00 per maand per huishouding.**

**OF**

- (b) die hoof van die huishouding in wie se naam die rekening geregistreer is, 'n Staatsouderdomspensioen of ongeskiktheidstoelae ontvang<sup>1</sup>.

**OF**

- (c) seisoenwerkers se jaarlikse inkomste nie die perk oorskry soos in 1(a) bepaal nie
- (1) die hoof van die huishouding en sy of haar gesin self die perseel waarop die aansoek betrekking het, bewoon; en
- (2) die hoof van die huishouding en/of sy of haar gade en/of hul wettige kinders wat saam met hul ouers op 'n perseel woonagtig is, nie die wettige eienaar is van 'n ander woning/eiendom nie; en
- (3) aansoek om registrasie op 'n vorm wat deur die Munisipaliteit vir dié doel voorgeskryf is en wat by enige kantoor van die Munisipaliteit verkrygbaar is, gedoen is.

#### **4. AANSOEK OM REGISTRASIE**

4.1 Alle aansoek in terme van paragraaf 3.1 (b) **moet** vergesel word van die volgende besonderhede:

- (1) bewys van **beide eienaars se** staatspensioen of ongeskiktheidstoelaag wat ontvang word, tesame met 'n afskrif van die Sassa kaart, en
- (2) Munisipale rekening; en
- (3) 'n gesertifiseerde afskrif van die aansoeker(s) se identiteitsdokument; en
- (4) Vanaf 1 Julie 2023 sal die aansoeker 'n permanente deernis geval word, en sal die aansoeker nie weer hoef aansoek te doen totdat die omstandighede verander nie.**

4.2 Alle aansoek in terme van paragraaf 3.1 (a & c) **moet** vergesel word van die volgende besonderhede:

- (1) dokumentêre bewys van die bruto-inkomste van al die persone woonagtig op 'n perseel, soos 'n brief van 'n werkgewer waarin die bruto salaris of loon van die betrokke persoon verklaar en gesertifiseer word, 'n salarisadviesstrokie, 'n pensioenkaart, 'n werkloosheidsversekeringskaart;
- (2) seisoenwerkers moet 'n IRP5 van die werkgewer inhandig vir die voorafgaande 12 maande voor die datum van aansoek; en



- (3) 'n beëdigde verklaring deur daardie persone woonagtig op die perseel wat geen inkomste het nie, waarin verklaar word dat sodanige lid werkloos is en nie in ontvangs van inkomste van enige aard is nie; en
  - (4) Munisipale rekening; en
  - (5) 'n gesertifiseerde afskrif van die aansoeker se identiteitsdokument; en
  - (6) die name en identiteitsnommer van alle persone wat op 'n bepaalde perseel woonagtig is; en
  - (8) Bewys dat alle kinders woonagtig op die perseel wat van wetlike skoolgaande ouderdom is, wel skoolgaande is. 'n Afskrif van die nuutste skoolrapport van elke skoolier moet ingehandig word, asook 'n "letter of goodstanding" (brief van toewyding) soos per vervat in die inleiding tot Finansiële bystand aan hulpbehoewende huishoudings.
- 4.3 Dit sal van die hoof van 'n huishouding, wat aansoek om registrasie as 'n hulpbehoewende huishouding doen, vereis word om te verklaar dat alle inligting wat op die aansoekvorm en ander dokumentasie verstrekkend word, waar en korrek is.
  - 4.4 Die Munisipaliteit of sy gemagtigde agent kan deur sy gemagtigde verteenwoordiger enige stappe wat nodig mag wees, neem om die korrektheid van inligting wat deur 'n aansoeker verstrekkend word, na te gaan en/of die korrektheid daarvan te verifieer insluitende onderhoude met en die afneem van verklarings van lede van 'n huishouding.
  - 4.5 Die Munisipaliteit of sy gemagtigde verteenwoordiger sal ten minste een keer per jaar die aansoeker besoek ten einde die korrektheid van alle inligting te verifieer.
  - 4.6 Die lys van hulpbehoewende/deernisgevalle aan die wykskomitee lede beskikbaar gestel word.
  - 4.7 Openbare Welsynsorganisasies wat geregistreer is in terme van die Inkomstebelasting wet, kan aansoek doen op die voorgeskrewe vorm, en moet bewys van registrasie by SARS, asook volledige beskrywing van die aktiwiteite wat uitgevoer word, indien by aansoek. Enige ander inligting wat benodig word kan ook addisioneel aangevra word.

## **5. OORWEGING VAN AANSOEKE**

- 5.1 'n Aansoek ontvang ooreenkomstig die bepalings van paragraaf 4.1 sal deur die Munisipaliteit oorweeg word en indien die Munisipaliteit tevrede is dat die aansoeker ooreenkomstig die bepalings van paragraaf 3 kwalifiseer, sal so 'n huishouding as hulpbehoewende huishouding geregistreer word.
- 5.2 Die Munisipaliteit sal die reg hê om 'n aansoek af te keur indien die jaarlikse bewilliging vir finansiële bystand aan hulpbehoewende huishoudings, waarna in paragraaf 2 verwys word, te enige tyd uitgeput is of uitgeput word.

5.3 Indien 'n huishouding as 'n hulpbehoewende huishouding geregistreer word, word finansiële bystand aan sodanige huishouding verleen ooreenkomstig die bepalings van paragraaf 6.1, met dien verstande egter dat –

- (1) ~~die huishouding op 'n jaarlikse grondslag, gereken vanaf die datum waarop die finansiële bystand toegestaan word,~~ **alle huishoudings soos gemeld in paragraaf 3.1 (a & c) jaarlikse voor 30 Junie** aan die Direkteur: Finansiële Dienste en tot sy bevrediging, bewys lewer dat so 'n huishouding steeds aan die vereistes van paragraaf 2 voldoen;
- (2) indien 'n huishouding te eniger tyd na verstryking van 'n vier maande siklus in gebreke gebly het of geweier het om bewys of bevredigende bewys ten opsigte van die kwalifikasie vereistes waarna in paragraaf 2 verwys word ooreenkomstig sub-paragraaf (1) hierbo te lewer, word alle finansiële bystand aan so 'n huishouding onverwyld opgeskort tot tyd en wyl sodanige bewys, behoudens die bepalings van paragraaf 7.1 (2), gelewer word.

## 6. AANWENDING VAN EN BEPERKING OP FINANSIËLE BYSTAND

6.1 Onderworpe aan die volhoubaarheid en bekostigbaarheid daarvan met in agneming van die bepalings van paragraaf 5.2, sal finansiële bystand aan 'n hulpbehoewende huishouding wat vir sodanige bystand kwalifiseer, beperk wees tot en aangewend word vir vereffening of gedeeltelike vereffening van die volgende munisipale dienste en tariewe:

- (1) 50 kWh elektrisiteit per maand vir 'n huishouding ten opsigte waarvan die elektrisiteit aansluiting beperk is tot 20 ampère;
- (2) 6 Kiloliter water per maand
- (3) Basiese fooi ten opsigte van water
- (4) rioolgelde ten opsigte van die een rioolaansluiting of die gelde betaalbaar ten opsigte van die pomp van 'n suigtenk tot 'n bedrag gelyk aan die tarief vasgestel vir 'n eerste riool pan
- (5) vullisverwyderingsgelde.

6.2 Die Munisipaliteit sal die reg hê om minstens een keer per jaar tydens die begrotingsproses, maar ook as tussentydse maatreël, op enige ander stadium, die mate waartoe finansiële bystand aan kwalifiserende hulpbehoewende huishoudings toegestaan kan word te bepaal of te herbepaal, insluitende die koers waarteen en ten opsigte van welke munisipale dienste finansiële bystand verleen kan word.

6.3 Waar 'n voorafbetalde elektrisiteitsmeter op 'n perseel, wat deur 'n kwalifiserende hulpbehoewende huishouding geokkupeer word, geïnstalleer is, en mits die elektrisiteitsaansluiting beperk is tot 20 ampère, sal sodanige huishouding eweneens in aanmerking kom vir finansiële bystand ten opsigte van elektrisiteitsverbruik en wel tot die mate soos bepaal by paragraaf 6.1 (1).

- 6.4 Die huishouding mag een keer van ampère verander van 60 na 20 ampère. Indien die verbruiker se krag verbruik nie die toegelate 20 ampère kan hanteer nie sal die ampère weer verander word na 60 ampère en sal die koste van die verbruiker verhaal word wanneer die aansluiting buite kantoor ure weer aangesluit moet word. Meters wat beperk word tot 20 ampère kan op 'n gereelde basis nagegaan word vir korrektheid.

'n Krediet op sodanige rekening verwerf, word aangewend ter vereffening van eiendomsbelasting verskuldig of bedrae verskuldig ten opsigte van enige van die ander munisipale dienste

## **7. KANSELLASIE VAN REGISTRASIE**

- 7.1 Registrasie as 'n hulpbehoewende huishouding word in die volgende gevalle gekanselleer en verbeur sodanige huishouding alle finansiële bystand wat aan die betrokke huishouding toegestaan is vir die onverstreke termyn waarvoor die bystand toegestaan is:

- (1) waar dit bevind word dat valse inligting in die aansoekvorm of ander dokumentasie en/of verklarings verstrekkend is;
- (2) indien die hoof van die hulpbehoewende huishouding na verloop van 30 dae nadat finansiële bystand aan so 'n huishouding ooreenkomstig paragraaf 5.3 opgeskort is, weier, versuim of in gebreke bly om die inligting soos vereis by paragraaf 5.3 aan die Munisipaliteit te verstrek;
- (3) indien dit bevind word dat omstandighede sodanig verander het dat die hulpbehoewende huishouding nie meer voldoen aan een of meer van die vereistes vir registrasie, soos vermeld in paragraaf 4.1 nie;

- 7.2 Die onus rus op die hoof van die hulpbehoewende huishouding om die Munisipaliteit in kennis te stel sodra omstandighede ter enige tyd sodanig verander dat daar nie meer voldoen word aan die vereistes van paragraaf 4 nie en terselfdertyd volledige besonderhede van sodanige veranderde omstandighede aan die Munisipaliteit te verstrek.

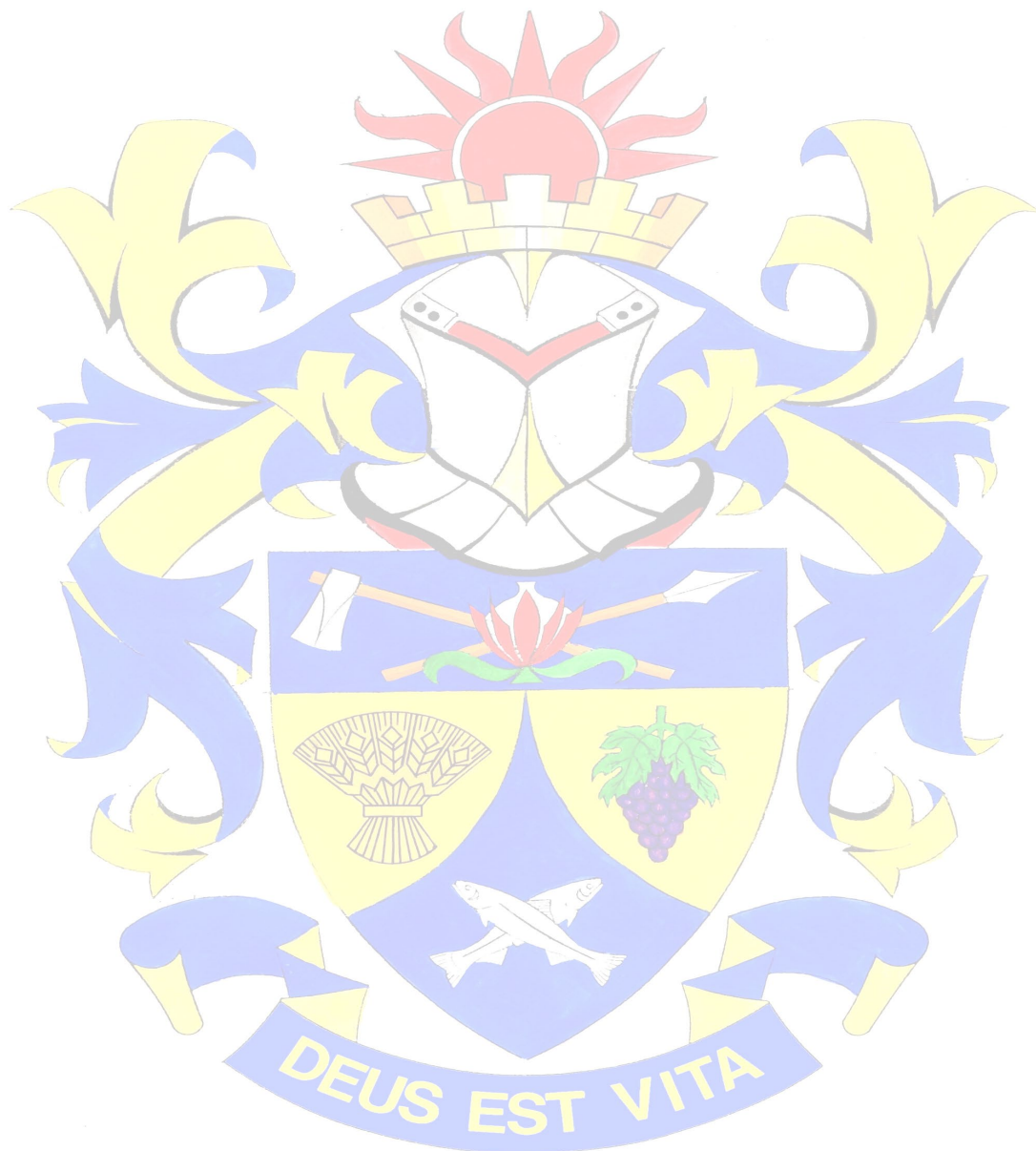
- 7.3 Nieteenstaande enigiets andersluidend hierin vervat, sal die Munisipaliteit geregtig wees om, benewens die strafregtelike vervolging van die hoof of enige lid van so 'n huishouding, die finansiële bystand toegestaan en ingevolge die bepalinge van paragraaf 24 aangewend, terug te vorder –

- (1) in die geval vermeld in paragrafe 7.1 (1) en (2) – vanaf die datum waarop die finansiële bystand toegestaan is; en
- (2) in die geval vermeld in paragraaf 7.1 (3) – vanaf die datum waarop die omstandighede waarna in paragraaf 7.1 (3) verwys word, verander het of indien so 'n datum nie vasgestel kan word nie, vanaf die datum waarop dit vasgestel is dat die betrokke huishouding nie meer aan die kwalifiserende vereistes voldoen nie.

7.4 Ingeval die registrasie van 'n hulpbehoewende huishouding ingevolge die bepalings van paragraaf 7.1 (1) beëindig word, sal sodanige huishouding vir 'n periode van 2 – 5 jaar van kansellasië datum, nie weer in aanmerking kom vir finansiële bystand nie.

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**BERGRIVIER MUNICIPALITY**



**REVISED  
SUPPLY CHAIN MANAGEMENT  
POLICY- MAART 2023**

# **BERGRIVIER MUNICIPALITY**

## **REVISED MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY**

### **LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

#### **Date of adoption:**

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the under-mentioned revised policy as the Supply Chain Management Policy of the municipality.

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## 1. Definitions

In this policy and any bid documentation or directive issued in terms thereof, the singular includes the plural and vice versa, any one gender includes both genders and, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act has the same meaning as in this Act, and -

**“Accounting Officer”** means the manager of the municipal administration and accounting officer of the municipality appointed by the council in terms of section 54A of the Local Government: Municipal Systems Act No. 32 of 2000 as amended in Act No. 7 of 2011 and includes any employee of the municipality who acts in his stead and, in the event of the municipality being subject to an intervention in terms of section 139 of the Constitution or any other applicable law, includes the “Administrator” appointed as a consequence of such intervention or in terms of the conditions pertaining thereto;

**“All applicable taxes”** includes value-added tax, pay as you earn, income tax, skills development levies and unemployment insurance fund contributions;

**“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

**“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment;

**“Bid Committees”** means the committees established in terms of this policy to prepare bid specifications, bid documentation, evaluate responsive bids and, where so authorized, to adjudicate responsive bids and any reference in section 117 of the Municipal Finance Management Act to municipal tender committees shall be construed as a reference to the aforesaid committees;

**“Bid documentation”** means all documentation relating to or necessary in order to complete a procurement or disposal including but not limited to such specification, bidding, certification and contractual documentation as may be prescribed by National Treasury or the Construction Industry Development Board, as the case may be, for municipal supply chain management purposes and the implementation of this policy;

**“Bidder”** means any person who submits a bid or quotation to the municipality in response to an invitation to bid or quote and includes a **“tenderer”**;

**“Bid rigging”** means a prohibited collusive bidding practice in terms of which bidders that would normally be expected to compete in a procurement process either singularly or by association with other persons or firms in a horizontal relationship, secretly conspire to raise prices or lower the quality of goods and/or services or agree not to compete against each other in such process;

**“Black designated groups”** has the meaning assigned to it in the codes of good practice issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

**“Black people”** is a generic term which means Africans, Coloureds and Indians;

**“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act No. 53 of 2003;

**“Chief Financial Officer”** means the official of the municipality designated as such in terms

of section 80(2)(a) of the Municipal Finance Management Act;

**“CIDB”** means the Construction Industry Development Board

**“CIDB regulations”** means any regulations issued in terms of the Construction Industry Development Board Act No. 38 of 2000;

**“Codes of Good Practice”** means the Codes of Good Practice on Black Economic Empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act and contained in General Notice 12 of 9 February 2007;

**“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized, have been taken into consideration;

**“Competitive bidding process”** means a transparent procurement method in which bids from competing contractors, suppliers or vendors are invited by openly advertising the scope, specifications, terms and conditions of the proposed contract as well as the criteria by which responsive bids received will be evaluated;

**“Competitive bid”** means a bid in terms of a competitive bidding process;

**“Consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

**“Construction works”** means the provision of a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of a fixed asset including building and engineering infrastructure;

**“Contractor”** means a person or body of persons who undertakes to execute and complete construction works for or on behalf of the municipality;

**“Contract”** means the agreement that results from the acceptance of a tender by the municipality in accordance with this policy;

**“Council”** means the council of Bergrivier Municipality;

**“Day”** unless expressly otherwise provided in this policy, means a calendar day, provided that when any particular number of days is prescribed for the doing of any act, or for any other purpose, the same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively also of every such Sunday or public holiday;

**“Delegating authority”** means the council, a duly authorized political structure or office bearer thereof, the Accounting Officer or other employee to whom original powers are assigned in terms of legislation and, in relation to a sub-delegation of a power, that delegated body;

**“Delegation”** means the issuing of a written authorization by a delegating authority to a delegated body to act in his stead and, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty and **“delegate”** and **“sub-delegate”** has a corresponding meaning;

**“Delegated body”** in relation to the delegation of a power means the person to whom a

power has been delegated by the delegating authority in writing;

**“Designated group”** means-

- (a) Black designated groups;
- (b) Black people;
- (c) Women;
- (d) People with disabilities; or
- (e) Small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996)

**“Designated Official”** means the official of the municipality to whom the accounting officer or the chief financial officer, as the case may be, have, in accordance with sections 79 and 82 of the Municipal Finance Management Act No. 56 of 2003 delegated powers, functions and duties in connection with the application and implementation of this policy; provided that a sub-delegation by the chief financial officer to an official that has not been allocated to him by the accounting officer or to a person contracted by the municipality for the work of its budget and treasury office may only be so authorized with the concurrence of the accounting officer and provided further that the said chief financial officer is satisfied that effective systems and procedures are in place to ensure control and accountability by the person concerned;

**“Designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

**“Disposal”** means a process of preparing, negotiating and concluding a written contract relating to the alienation of a capital asset whether movable or immovable owned by or under the control of the municipality or rights in respect thereof, by means of a sale, lease, donation or cession and **“dispose of”** has a similar meaning;

**“Final award”** in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote was accepted;

**“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy or tax which, in terms of any applicable law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies or the rendering costs of any service, for the execution of a contract;

**“Formal written price quotations”** means quotations referred to in paragraph 12 (1) (d) of this policy;

~~**“Functionality”** functionality requirements means the measurement according to requirements predetermined norms, as set out in the tender specification, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;~~

**“Fronting”** means a deliberate circumvention or attempted circumvention of the "Broad-Based Black Economic Empowerment Act and the Codes of Good Practice;

**“Performance Guarantee”** means whether a performance guarantee is required. Full particulars, amount and reasons must be given. Performance guarantees should be commensurate with the degree of contractual risk to which the department is exposed and are normally applicable to large and complex contracts. Performance guarantees should spread the

cost of the risk of failure between the contracting parties and should be set at such a level that all municipal costs relating to such failure are likely to be recovered.

The warrantee requirement and period applicable (time period, parts and labor, onsite service and repair, extended warranty)

**“Head of Department”** means a senior manager as defined in the Municipal Finance Management Act and who is responsible for a vote as assigned by the accounting officer;

**"Imported content"** means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its sub-contractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry;

**“In the service of the state”** means to be -

- (a) A member of -
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the National Assembly or the National Council of Provinces;
- (b) A member of the board of directors of any municipal entity;
- (c) An official of any municipality or municipal entity;
- (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Act and the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (e) An executive member of the accounting authority of any national or provincial public entity; or
- (f) An employee of Parliament or a provincial legislature;

**“Line manager”** means a manager reporting directly to a senior manager and who is responsible for a cost centre as assigned by the relevant senior manager;

**"Local content"** means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;

**“Long term contract”** means a contract with a duration period exceeding one (1) year, but not exceeding three (3) years. For contracts exceeding three (3), section 33 of the Municipal Finance Management Act No. 56 of 2003 must be applied.

**“List of accredited prospective providers”** means the list of accredited prospective providers which the municipality must keep in terms of paragraph 15 of this policy;

**"Mayor"** means the councillor elected by the council as Mayor in terms of section 48 of the Local Government: Municipal Structures Act No. 117 of 1998 read with section 58 of the Municipal Finance Management Act;

**“Municipality”** means the Bergrivier Municipality, a municipality established in terms of section 12 of the Local Government: Municipal Structures Act No. 117 of 1998 and includes any employee entitled to or duly authorized to perform any function or duty in terms of this

policy and/or is responsible for the implementation of this policy or any part thereof;

**“Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act No. 56 of 2003 and, unless otherwise stated in this policy, any reference to “the Act” shall mean a reference to this Act;

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act No. 32 of 2000 and includes the regulations under this Act;

**"Non-firm prices"** means all prices other than "firm" prices;

**“Other applicable legislation”** means any other legislation applicable to municipal supply chain management, including but not limited to -

- (a) the Preferential Procurement Policy Framework Act No. 5 of 2000;
- (b) the Broad-Based Black Economic Empowerment Act No. 53 of 2003;
  
- (c) The Construction Industry Development Board Act No. 38 of 2000;
- (d) The Local Government: Municipal Systems Act No. 32 of 2000 (Municipal Systems Act);
- (e) the Promotion of Administrative Justice Act No. 3 of 2000;
- (f) the Promotion of Access to Information Act No. 2 of 2000;
- (g) the Protected Disclosures Act No. 26 of 2000;
- (h) the Competition Act No. 89 of 1998;
- (i) the Prevention and Combating of Corrupt Activities Act No. 12 of 2004;

**"Person"** includes an enterprise, partnership, trust, association, consortium, joint venture or a juristic person;

**“Petty cash”** means a relatively small amount of cash kept at hand for making immediate payment for miscellaneous small expenses incurred by the municipality.

**“Preferential Procurement Regulations”** means the Preferential Procurement Regulations, 2017 contained in Government Notice R32 of 20 January 2017 promulgated in Government Gazette No. 40553, and amended with regulation

**“Procurement”** means the processes leading to the negotiation and conclusion of contracts whether in writing or verbally for the acquisition of goods, services or construction works or any combination thereof or the disposal of assets whether movable or immovable or any rights in such assets by means of purchase, sale, lease or donation and includes the preparation of all associated bid and contractual documentation and **“procured”** or **“procuring”** has a similar meaning;

**“Responsive bid”** means a bid that complies in all material aspects with the requirements set out in or contained in an invitation to bid including the applicable specification;

**"Small enterprise"** means a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one owner or more predominantly carried on in any sector or sub-sector of the economy mentioned in column 1 of the Schedule to the National Small Business Act No. 102 of 1996 which is contained in Annexure B to this policy and classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the said schedule;

**"Stipulated minimum threshold"** means that portion of local production and content as determined by the Department of Trade and Industry from time to time;

**"Sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of a contract;

**"Rand value"** means the total estimated value of a contract in South African currency calculated at the time of tender invitations, and includes all applicable taxes and excise duties;

**"SANAS"** means the South African National Accreditation System;

**"Tender"** means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of services, works or goods, through price quotations, advertised competitive tendering processes or proposals and **"bid"** has a corresponding meaning;

**"Total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice;

**"Trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person;

**"Trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person;

**"Treasury guidelines"** means any guidelines on supply chain management issued by the Minister of Finance in terms of section 168 of the Municipal Finance Management Act;

**"The Regulations"** means the Local Government: Municipal Finance Management Act, 2003: Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

**"Verbal quotations"** means a verbal process of inviting quotation from an identified limited number of potential suppliers for the supply of goods, services and/or works;

**"Verification Certificate"** means a B-BBEE certificate issued in compliance with the B-BBEE Codes of Good Practice and all Sector Codes issued in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Act;

**"Warrantee"** means that when a warrantee is requirement and period applicable (time period, parts and labour, onsite service and repair, extended warranty) must be included.

**"Written quotations"** means quotations referred to in paragraph 12 (1) (c) of this policy.

## **CHAPTER 1** **IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

### **2. Supply chain management policy**

- (1) All officials and other role players in the supply chain management system of the municipality must implement this policy in a way that -



- (a) gives effect to Section 217 of the Constitution and Part 1 of Chapter 11 and other applicable provisions of the Act;
- (b) is fair, equitable, transparent, competitive and cost effective;
- (c) complies with the Regulations and any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
- (d) is consistent with other applicable legislation;
- (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- (f) is consistent with national economic policy concerning the promotion of investments and the conduct of business with the public sector.

(2) This policy applies when the municipality -

- (a) procures goods or services;
- (b) disposes of goods no longer needed;
- (c) selects contractors to provide assistance with the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) This policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including, but not limited to -

- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
- (b) electricity from Eskom or another public entity, another municipality or a municipal entity.
- (c) the acquisition of services of information and communication technology, IT licences and systems in use, financial system (Linked to the transversal tender of National Treasury as per SLA), IT programs and services that the acquisition of such services be dealt with in terms of the delegated powers as provided for in the Municipality's delegation register as amended from time to time, Telemetry IT and communication system, banking services (bank costs and card machines)
- (d) The acquisition of services from specific vehicle agents, for repair and out of warranty services subject that the acquisition of such services be dealt with in terms of the delegated powers as provided for in the Municipality's delegation register as amended from time to time.
- (e) Insurance claims, Telkom, payments to the Auditor General, refunds to individuals
- (f) Bursary payments to certain registered institutions and the assistance of the accommodation of the student.
- (g) Print rolls for bank card machines and printing of salary payday payslips.
- (h) Rental of machinery for emergency purposes for example pipe burst and digging of graves and trenches.
- i) Sole Provider of Biodyne and Envirobeads for wastewater treatment.

(A) Notwithstanding anything to the contrary in this policy, the municipality shall not award a contract to a contractor in respect of the undertaking, carrying out or completion of any construction works or a portion thereof in terms of a competitive tender or quotation process provided for in this policy unless such contractor is registered with the Construction Industry

Development Board established by section 2 of the Construction Industry Development Board Act No. 32 of 2000 and holds a valid registration certificate issued by such Board or is exempted from such registration either in terms of the Act or the "CIDB Regulations".

#### **Amendment and adoption of the supply chain management policy**

- (1) The accounting officer must at least annually review the implementation of this policy and, when necessary, submit proposals for the amendment thereof to the council through the mayor acting in conjunction with the mayoral committee with a view to its adoption by the council.
- (2) If the accounting officer submits proposed amendments to this policy to the council, he must ensure that same comply with the Regulations and Treasury guideline standards determining standards for municipal supply chain management policies.
- (3) The accounting officer must report any deviation from the Regulations and Treasury guideline standards determining standards for municipal supply chain management policies to the National and Western Cape Provincial Treasuries.
- (4) When amending this policy, the need for uniformity in supply chain practices, procedures and forms between all spheres of organs of state particularly to promote accessibility of supply chain management systems for small businesses, must be taken into account.

#### **4. Delegation of supply chain management powers and duties**

- (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable him -
  - (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
    - (i) chapters 8 or 10 of the Act; and
    - (ii) this policy; and
  - (b) to maximize administrative and operational efficiency in the implementation of this policy; and
  - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this policy; and
  - (d) to comply with his responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).
- (3) The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality.
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 27 of this policy.

## **5. Sub-delegations**

- (1)** The accounting officer may, in terms of section 79 of the Act, sub-delegate any supply chain management powers and duties, including those bestowed upon him in terms of legislation or delegated to him in terms of this policy or by resolution of the council, but any such sub-delegation must be consistent with subparagraph (2) and paragraph 4 of this policy.
- (2)** The power to make a final award -
  - (a)** above R10 million (VAT included) may not be sub-delegated by the accounting officer;
  - (b)** above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to a bid adjudication committee of which the chief financial officer or a senior manager is a member;
  - (c)** not exceeding R2 million (VAT included) may be sub-delegated but only to -
    - (i)** the chief financial officer;
    - (ii)** a senior manager; or
    - (iii)** a manager directly accountable to the chief financial officer or a senior manager; or
    - (iv)** a bid adjudication committee.
- (3)** An official or bid adjudication committee to whom or which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must, within five days of the end of each month, submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such committee during that month, including -
  - (i)** the amount of the award;
  - (ii)** the name of the person to whom the award was made; and
  - (iii)** the reason why the award was made to that person.
- (4)** A written report referred to in subparagraph (3) must be submitted-
  - (a)** to the accounting officer, in the case of an award by –
    - (i)** the chief financial officer;
    - (ii)** a senior manager; or
    - (iii)** a bid adjudication committee of which the chief financial officer or a senior manager was a member;
  - (b)** to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by -
    - (i)** a manager referred to in subparagraph (2) (c) (iii); or
    - (ii)** a bid adjudication committee of which the chief financial officer or a senior manager was not a member.

- (5) Subparagraphs (3) and (4) do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 27 of this policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.
- (8) Notwithstanding the delegations, the Manager: Expenditure & SCM is authorised to amend orders between R0 till R30 000.00 that was subject to price fluctuations within **5%** of the contract value after satisfying himself with the reason/s for the amendment.

## **6. Oversight role of the council**

- (1) A councillor cannot be a member of a bid committee or any other committee evaluating or approving quotations or bids nor attend any meeting of such committees as an observer.
- (2) The council must maintain oversight over the implementation of this policy to ensure that the accounting officer implements all supply chain management activities in accordance therewith.
- (3) For the purposes of such oversight, the accounting officer must -
  - (a) within 30 days of the end of each financial year, submit a report on the implementation of this policy to the council through its mayor;
  - (b) whenever there are serious and material problems in the implementation of this policy, immediately submit a report thereon to the council through its mayor.
- (4) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayor.
- (5) The aforesaid reports must be made public in accordance with section 21A of the Municipal Systems Act.

## **7. Supply chain management unit**

- (1) A supply chain management unit is hereby established to implement this policy.
- (2) The supply chain management unit shall operate under the direct supervision of the Chief Financial Officer to whom this duty is delegated by the accounting officer in terms of section 82 of the Act.
- (3) Where, due to operational reasons, the council appoints a senior manager to be responsible for the direct supervision of the supply chain unit referred to in subparagraph (1), the application and implementation of this policy and the municipality's supply chain management system, the accounting officer shall, in terms of section 79 of the Act, delegate appropriate duties, functions and powers to such senior manager to enable him to perform his duties aforesaid and such senior manager shall be included in the definition of "designated official" in section 1 of this policy.

- (4) Where the council appoints a senior manager in terms of subparagraph (3) for the purposes stated therein, any reference to the Chief Financial Officer in paragraph 5 (2) of this policy shall be construed as reference to the said designated official acting after consultation with the Chief Financial Officer.

## **8. Training of supply chain management officials**

The training of officials involved in implementing this policy should be in accordance with any Treasury guidelines on supply chain management training and applicable prescribed competency level requirements.

## **CHAPTER 2** **SUPPLY CHAIN MANAGEMENT SYSTEM**

## **9. Format of supply chain management system**

This policy provides systems for -

- (i) Demand management;
- (ii) Acquisition management;
- (iii) Logistics management;
- (iv) Disposal management;
- (v) Risk management; and
- (vi) Performance management.

### **Part 1: Demand management**

## **10. System of demand management**

- (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality supports its operational commitments and its strategic goals as outlined in the municipality's Integrated Development Plan.
- (2) The demand management system must –
  - (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates and are of the appropriate quality and quantity procured at a fair cost;
  - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
  - (c) provide for the compilation of the required specifications to ensure that municipal needs are met
  - (d) the relevant Manager and Director must sign off the specifications before the submission to the SCM unit,
  - (e) allow for the undertaking of appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
- (3) The accounting officer must, prior to making an invitation for tenders-

- (a) properly plan for, and, as far as possible, accurately estimate the costs for the provision of services, works or goods for which an invitation to tenders is to be issued;
  - (b) determine and stipulate, in such invitation, the appropriate preference point system to be utilized in the evaluation and adjudication of such tenders; and
  - (c) determine whether the services, works or goods for which an invitation to tender is to be made has been designated for local production and content in terms of section 8 of the Preferential Procurement Regulations and paragraph 29(5) of this policy.
- (4) The accounting officer must indicate in the invitation to submit a tender and in the tender specification -
- (a) that such tender will be evaluated on ~~functionality~~ and, in such event, the following shall be clearly stated:
    - (i) the evaluation criteria for measuring ~~functionality~~ technical requirements which criteria must be objective;
    - (ii) the weight of each criterion which should not be generic but be determined separately for each bid on a case by case basis;
    - (iii) the applicable values that will be utilized when scoring each criterion which values must be objective;
    - (iv) the minimum qualifying score for ~~functionality~~ in order to enable the bid concerned to be further evaluated in terms of this policy provided that the aforesaid qualifying score:
      - (a) should not be generic but be determined separately for each bid on a case by case basis; and
      - (b) should not be prescribed so low that it may jeopardize the quality of the service required nor so high that it may be restrictive to the extent that it jeopardizes the fairness of the supply chain management system;
  - (b) the fact that no tender will be regarded as an acceptable tender if it fails to achieve the minimum qualifying score for functionality as indicated in the invitation to tender and the relevant tender specification; and
  - (c) That tenders that have achieved the minimum qualification score for functionality will be evaluated further in terms of the preference point systems referred to in paragraphs 29(3) and 29(4) of this policy.
- (5) Any system designed in terms of this paragraph shall take cognizance of the provisions of this policy.

## **Part 2: Acquisition management**

### **11. System of acquisition management**

- (1) The accounting officer must implement an efficient system of acquisition management in order to ensure -

- (a) that goods and services are procured by the municipality in accordance with authorized processes only;
  - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
  - (c) that the threshold values for the different procurement processes are complied with;
  - (d) that bid documentation, evaluation and adjudication criteria and the general conditions of a contract, are in accordance with any applicable legislation; and
  - (e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services from an organ of state as contemplated in section 110 (2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -
- (a) the kind of goods or services; and
  - (b) the name of the supplier.

## **12. Range of procurement processes**

- (1) Goods and services may only be procured by way of -
- (a) petty cash purchases up to a transaction value of R500 (VAT included) for items specified in the municipality's Petty Cash policy;
  - (b) one written price quotations for procurements of a transaction value up to R2,000 (VAT included);
  - (c) three formal written price quotations for procurements of a transaction value over R2,001 up to R30,000 (VAT included);
  - (d) at least three written (formal) quotations in response to a published call for quotations for procurements of a transaction value over R30,000 up to R200,000 (VAT included);
  - (e) a competitive bidding process for -
    - (i) procurements above a transaction value of R200 000 (VAT included); and
    - (ii) the procurement of long term contracts.
- (2) The accounting officer may, in writing:
- (a) lower but not increase, the different threshold values specified in subparagraph (1) above; or
  - (b) direct that -
    - (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000;

- (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or
  - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.
- (3) Calls for quotations and bids for the procurement of goods or services may not deliberately be split into parts or items of a lesser value than the threshold amounts referred to in subparagraph (1) merely to avoid complying with the requirements of this policy or any applicable legislation. When determining transaction values, a requirement for goods or services consisting of different parts or items must, as far as possible, be treated and dealt with as a single transaction.

## 12A. Special categories of bidders and suppliers

In order to promote B-BBEE and comply with applicable legislation including the Codes of Good Practice, this policy recognizes the following special categories of bidders and suppliers:

### 12. A Exempted Micro-Enterprise

- (a) An exempted Micro-Enterprise (EME) is an entity with an annual turnover of R10 million or less provided that this amount may be reduced in accordance with sector charter thresholds for specific sectors or industries.
- (b) ~~The current thresholds for the Tourism and Construction Sector charters are R2.5 million and R1.5 million respectively.~~
- (c) ~~Exempted Micro-Enterprises are deemed to possess a B-BBEE Status of "Level Four Contributor", having a B-BBEE procurement recognition of 100%.~~
- (d) ~~An Exempted Micro-Enterprise qualifies for a promotion to a B-BBEE Status of "Level Three Contributor" having a B-BBEE procurement recognition of 110% if it is more than 50% owned by black people or by black women.~~
- (e) ~~Exempted Micro-Enterprises are allowed to be measured in terms of the QSE scorecard contained in the applicable code of good practice in the event of them wishing to maximize their points and move to the next procurement recognition level.~~
- (f) Sufficient evidence of qualification as an Exempted Micro-Enterprise is an affidavit signed by a Commissioner of Oath.

### 12.A Qualifying Small Enterprise

- (a) Any enterprise with an annual Total Revenue of between R10 million and R50 million qualifies as a Qualifying Small Enterprise (QSE).
- (b) Enterprises claiming qualifying small enterprise status must include in any bid submitted to the municipality, an original and valid B-BBEE status level affidavit /SANAS certificate if the black ownership is less than 51% substantiating their B-BBEE rating. The latter certificate must be issued by a verification agency accredited by SANAS.

### 12.A Start-up enterprises



- (a)** Start-up enterprises must be measured as Exempted Micro-Enterprises for the first year following their formation or incorporation. This provision applies regardless of the expected total revenue of the start-up enterprise.
- (b)** Start-up Enterprises are deemed to have a “B-BBEE Status of Level Four Contributor”.
- (c)** In order to qualify as a Start-up Enterprise, the enterprise must provide an independent confirmation of its status.
- (d)** Despite subparagraphs (a) and (b), Start-up Enterprises must submit a QSE Scorecard when tendering for any contract or seeking any other business with a value higher than R5 million but less than R35 million. For contracts above R35 million, they should submit the generic scorecard. The preparation of such scorecards must use annualized data.
- (e)** The accounting officer shall reserve the right to require a Start-up Enterprise referred to in subparagraph (d) to submit a verification certificate issued by a verification agency approved by SANAS.

**13. General preconditions for consideration of written quotations or bids**

- (1)** A written quotation or bid may not be considered unless the provider who submitted the quotation or bid concerned -
  - (a)** has furnished his -
    - (i)** full name or names including trading name,
    - (ii)** identification number or company or other registration number;
    - (iii)** tax reference number and VAT registration number, if any;
    - (iv)** address, date, validity period, description of goods, items or service
  - (b)** has provided the municipality with:-
    - (i)** an original valid tax clearance certificate from the South African Revenue Services; or
    - (ii)** the permission to verify the Tax Clearance status via SARS e-filing with the relevant tax clearance certificate number and the relevant pin;  
in order for the municipality to verify that his tax matters are in order;
  - (c)** has, where applicable, provided the municipality with proof from the Construction Industry Development Board to the effect that he holds a valid registration certificate issued by the Board which may include their CIDB registration number which will be verified.
  - (d)** has provided the municipality with a “Certificate of Independent Bid Determination” on Form MBD 9.
  - (e)** has certified that he and, in the event of the bidder being a company, also any of its directors, is not indebted to the municipality or to any other municipality or municipal entity for rates, taxes and/or municipal service which are in arrear for a period of more than three months and that no dispute exists between such bidder and the relevant municipality or municipal entity in respect of any such arrear amounts as per MBD 8, or an arrangement is made with the Municipality to pay the outstanding debt, and kept in good order and paid up to date.

- (f) has submitted a “Declaration of interest” on Form MBD 4 certifying -
  - (i) that he is not in the service of the state or has been in the service of the state in the previous twelve months;
  - (ii) that, in the event of the bidder not being a natural person, none of its directors, managers, principal shareholders or stakeholders are in the service of the state nor have they been in the service of the state in the previous twelve months; or
  - (iii) that if his spouse, child or parent is in the service of the state or has been in the service of the state in the previous twelve months that it be reported on the MBD 4.
  - (iv) that he is not an advisor or consultant contracted by the municipality to advise it on the procurement under consideration;
- (g) has submitted the prescribed B-BBEE status level affidavit/certificate, as the case may be.

(2) This paragraph must be read in conjunction with paragraph 22 of this policy.

#### 14. Lists of accredited prospective providers

- (1) The accounting officer may-
  - (a) select accredited prospective providers from the CSD website, or the Municipalities own data base of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
  - (b) at least once a year through newspapers commonly circulating locally, the municipal website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - (c) specify the listing criteria for accredited prospective providers; and
  - (d) disallow the listing of any prospective provider whose name appears on the National Treasury’s database as a person prohibited from doing business with the public sector.
- (2) The criteria for accredited prospective providers are as follows:
  - (a) Registration on National Treasury’s Central Supplier Database (CSD);
  - (b) Valid Tax Clearance Certificate (either original hard copy or verified via SARS e-filing);
  - (c) Declaration of interest;
  - (d) Valid Municipal Billing Clearance; or Lease Agreement with confirmation of rental paid up to date by Lessor.
  - (e) Proof of Banking Detail; and
  - (f) Any other documents as required on the municipality’s database registration form.
- (5) The municipality may use the National Treasury Central Supplier Database for its

procurement requirements, and may obtain information from Services Providers that are not registered on CSD to use for unpractical purposes of procurement.

#### **15. Petty cash purchases**

- (a) Petty cash purchases may only be made in accordance with the Petty Cash policy of the municipality.
- (b) The accounting officer may delegate responsibility for the management of petty cash to an official directly or indirectly reporting to the chief financial officer.
- (c) The accounting officer must determine the maximum number of transactions or the maximum amount of the permissible petty cash expenditure per month;
- (d) A monthly reconciliation report must be provided to the chief financial officer within five days of the end of each month by the official authorized to make petty cash purchases and such report shall contain particulars of each final award made by such official during that month, including:
  - (i) the total amount of petty cash purchases for that month; and
  - (ii) receipts and supporting documents for each purchase.

#### **16. Written or verbal price quotations**

The conditions for the procurement of goods or services through written or verbal quotations are as follows:

- (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality or of the CSD, provided that if quotations are obtained from providers who are not so listed, such providers must meet the - criteria set out in paragraph 14(2) of this Policy;
- (b) Following are possible examples of not being in a position to obtain three written or verbal quotations namely:-
  - i. Publication of official and legal notices as well as advertisements in the media,
  - ii. ~~Disciplinary hearings (Appointment of a Chairperson), as per delegation 70, the Municipal Manager may appoint a legal person to institute and defend any legal processes/proceedings and claims by or against Council, in any court of law, including the initiation, dealing with or settlement of such proceedings, training events, corporate branding and artwork , courses, seminars, membership fees, Doctor consultations, medical specialists, local travel agencies, accommodation, re-location costs, subscription, tow in services, services agents, franking machine postage, library books, books, monitoring of alarms, advertisements, motivational speakers, Artists, subscription fees, security services in case of emergency or as determined by the Manager: Expenditure & SCM.~~
  - iii. In the event of a strip and quote or adhoc repairs to plant, equipment and machinery where it is not possible to ascertain the nature or extent of the work required in order to call for quotations, authorised by the relevant Director.
- (c) To the extent feasible, providers must be requested to submit such quotations in writing;
- ((d) If it is not possible to obtain at least three quotations, the reasons for such inability must be recorded on the invitation to submit quotations and reported quarterly to the chief

financial officer;

- (d) The designated officer must record the names of the potential providers requested to provide quotations with their quoted prices; and
- (f) If only one written quotation was submitted, the order may be placed only against written confirmation of the price and conditions of supply by the selected provider within the period stipulated in the invitation to submit quotations.
- (g) Quotations can be sourced online from the internet, if the Supplier is registered on the Central Database of National Treasury, as long as the Supplier meets all the requirements.

#### **17. Formal written price quotations**

- (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:
  - (a) Quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;
  - (b) In the event of it not being possible to obtain quotations from at least three different providers whose names appear on the list of accredited prospective providers of the municipality, quotations may be obtained from providers who are not so listed, provided that such providers meet the criteria set out in paragraph 15(2) of this policy;
  - (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and be approved by the chief financial officer or an official designated by the chief financial officer; and
  - (d) that the accounting officer must record the names of the potential providers and their written quotations; and
- (2) A designated official referred to in sub regulation (1)(c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that sub regulation.

#### **18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations**

The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows:

- (a) When using the list of accredited prospective providers, the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- (b) All requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 18, be advertised for at least seven days on the website of and on the official notice board of the municipality;
- (c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) The accounting officer or chief financial officer must on a monthly basis be notified in

writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;

- (c) Offers below R30 000 (all taxes included) must be awarded based on compliance with specifications, conditions of contract, ability, capacity and capability to deliver the required goods and/or services and lowest price; provided that the accounting officer may direct, in appropriate cases, that the formula referred to in subparagraph (e) be used to calculate points for price;
- (e) Offers above R30 000 (all applicable taxes included) must be awarded based on compliance with specifications, conditions of contract, ability, capacity and capability to deliver the required goods and/or services and lowest price provided that the accounting officer may direct, in appropriate cases, that the following formula be used to calculate points for price:

$$P_s = 80 \left\| 1 - \frac{P_t - P_{\min}}{P_{\min}} \right\|$$

Where:

- Ps = Points scored for comparative price of tender or offer under consideration;  
Pt = Comparative price of tender or offer under consideration; and  
Pmin = Comparative price of lowest acceptable tender or offer.

- (g) Prior to the award of a contract with a price in excess of R30 000, the designated official must verify the status of recommended bidders (including their directors(s), owners(s) or trustee(s) by checking the Data Base of Restricted Suppliers maintained by National Treasury in order to ensure that no recommended bidder or any of its directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector;
- (h) A call for quotations in terms of preceding paragraphs must be in writing and contain a specification for the goods and/or services to be procured as well as details of the preference points system to be used in adjudicating quotations;
- (i) The designated official must, in writing, notify the chief financial officer within 3 days after the end of each month of all written, verbal and formal written price quotations accepted or approvals given in terms of the preceding subparagraphs;
- (j) The chief financial officer must ensure that adequate systems are in place to meet the requirements for proper record keeping;
- (j) Acceptable offers must be awarded to the bidder who scored the highest points in accordance with the stipulated preference points system.
- (k) All goals set in the PPPFA Policy of Council must be considered when doing the evaluation.

## 19. Competitive bidding process

- (1) Subject to paragraph 11 (2) of this policy, goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included) may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- (3) The accounting officer may split unduly large quantities of work into smaller contracts (units) to promote manageability and provide opportunities for emerging entrepreneurs. This procedure may only be followed when technically, logistically and financially feasible

## 20. Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation as detailed in paragraph 22;
- (b) Public invitation of bids as detailed in paragraph 23;
- (c) Site meetings or briefing sessions as detailed in paragraph 23;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph

- (d) Evaluation of bids as detailed in paragraph 32
- (e) All goals as set out in the PPPFA Policy of Council must be considered when bids are evaluated.
- (f) Award of contracts as detailed in paragraph 33;
- (g) Administration of contracts - after the award of a bid, the accounting officer and the bidder must enter into a written agreement;
- (h) Proper record keeping;
- (i) Original/legal copies of written contracts agreements should be kept in a secure place for reference and audit purposes.

## 21. Bid documentation for competitive bids

Bid documentation for a competitive bidding process must, in addition to the requirements of paragraph 14 -

- (a) Take into account -
  - (i) the general conditions of contract and any special conditions of contract, if specified;
  - (ii) any Treasury guidelines on bid documentation;
  - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction works;
  - (iv) relevant B-BBEE verification and certification requirements;
  - ~~(v) relevant local content or production requirements.~~
- (b) Include the preference points system to be used in adjudicating bids, namely 80/20 or 90/10 as prescribed in the Preferential Procurement Regulations;
- (c) Compel bidders to declare, by means of an affidavit, any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) Compel bidders to submit a "Certificate of Independent Bid Determination" on form MBD 9 or similar document;
- (e) If the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish on form MBD 5 or similar document -
  - (i) if the bidder is required by law to prepare annual financial statements for auditing, his audited annual financial statements -
    - (a) for the past three years; or
    - (b) since establishment, if established during the past three years;
  - (ii) a certificate signed by the bidder certifying that he has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
  - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contracts;

- (iv) a statement indicating whether or not any portion of the goods or services required by the municipality are expected to be sourced from outside the Republic, and, if so, what portion and also whether or not any portion of the payment to be made by the municipality is expected to be transferred out of the Republic; and
- (f) Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

## **22. Public invitation for competitive bids**

- (1) The procedure for the invitation of competitive bids is as follows:
  - (a) any invitation to prospective providers to submit bids must be by means of , the website of the municipality, notice boards and advertisement in the Government E-portal) ; and
  - (b) the information contained in a public advertisement, must include -
    - (i) subject to subparagraph 2, the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included) or which are of a long term nature, or 14 days in any other case, reckoned from the date on which the advertisement was placed on the E-portal;
    - (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
    - (iii) the date, time and venue of any compulsory site meetings or briefing session;
    - (iv) a statement to the effect that a bid from a prospective bidder who did not attend a prescribed compulsory site meeting or briefing session referred to in subparagraph (iii) will not be considered.
- (2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or in any exceptional case where it is impractical or impossible to follow the official procurement process and such fact shall, for auditing purposes, be recorded in the authority to invite bids.
- (3) Bids submitted must be sealed and marked in a manner stipulated in the invitation to bid.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies which must reach the accounting officer before the closing time for the receipt of bids on the bid closing date as stipulated in the invitation to bid.
- (4) Where the municipality invites expressions of interest or bids for construction works with a value in excess of R200 000, it must publish such invitations on the website of the CIDB.



- (6) The municipality must also comply with the applicable provisions of the Standard for Uniformity in Construction Procurement contained in Board Notice No. 86 of 2010 issued by the Construction Industry Development Board insofar as such provisions relate to the invitation of bids.
- (7) Bidding documents will be available with prices ranging from R70 to R750 which will cover our expenses to compile them.
- (8) No fees will be charged if a bidder obtains the document from the website.

### **23. Procedure for handling, opening and recording of bids**

The procedures for the handling, opening and recording of bids, are as follows:

- (a) Bids -
  - (i) must be opened only in public;
  - (ii) must be opened at the same time and as soon as possible after the published closing time or period for the submission of bids; and
  - (iii) received after the published closing time or period should not be considered and be returned to the bidder, after being opened by the Head: SCM & Assets to gain address, immediately.
- (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted responsive bids before the closing time or period be read out and, if practical, also each bidder's total bidding price;
- (c) No information, except the information referred to in subparagraph (b), relating to a bid should be disclosed to bidders or other persons until the successful bidder is notified of the award of the relevant bid; and
- (d) The designated official opening received bids must -
  - (i) record in a register to be provided for this purposes, all bids received before the closing time or period for the submission of same;
  - (ii) make the aforesaid register available for public inspection during the normal office hours of the municipality; and
  - (iii) publish the entries in the aforesaid register and the bid results on the website of the municipality.
- (e) This SCM policy hereby allows Bergrivier officials to request any outstanding documents from the bidders if these documents were not included in the offer to maximise financial gain for the municipality.

### **24. Negotiations with preferred bidders**

- (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation -
  - (a) does not allow any preferred bidder a second or unfair opportunity;
  - (b) is not to the detriment of any other bidder; and
  - (c) does not lead to a higher price than the bid as submitted;

(d) will not be contrary to any legal requirement or amount to a prohibited practice.

(2) Minutes of such negotiations must be kept for record and audit purposes.

## **25. Two-stage bidding process**

(1) A two-stage bidding process is permissible for -

(a) large complex projects;

(b) projects where it may be undesirable to prepare complete detailed technical specifications; or

(c) long term projects with a duration period exceeding three years.

(2) In the first stage, technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage, final technical proposals and priced bids should be invited.

## **26. Committee system for competitive bids**

(1) A committee system for competitive bids shall be established, consisting of the following committees for procurement as the accounting officer may determine:

(a) a bid specification committee;

(b) a bid evaluation committee; and

(c) a bid adjudication committee;

(2) The accounting officer shall, in writing, appoint the members of each committee in respect of each competitive bid invitation, taking into account the provisions of section 117 of the Act in terms of which no councillor may be a member of any such committee or attend any of its meetings as an observer.

(3) A neutral or independent observer, appointed by the accounting officer, may attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

(4) The committee system must be consistent with -

(a) paragraphs 28, 32 and 33 of this policy; and

(b) any other applicable legislation.

(5) The accounting officer may, in appropriate cases and in his sole discretion, apply the committee system to formal written price quotations.

## **27. Bid specification committees**

(1) A bid specification committee must compile the specifications or, where applicable, the terms of reference for procurement of goods or services by the municipality.

(2) A bid specification committee must be composed of one or more officials of the municipality preferably the line manager responsible for the function concerned, and may, when appropriate, include external specialist advisors.

- (3) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.
- (5) Where a bid specification or terms of reference is compiled with due regard to the findings and recommendations contained in a prior, associated feasibility study, the person, advisor or corporate entity who or which prepared the said feasibility study may be prohibited from bidding for the resulting contracts in circumstances where such person, advisor or corporate entity may obtain an unfair advantage or where a conflict of interest may arise.
- (5) A specification referred to in this paragraph must be approved by the accounting officer in writing prior to publication of the invitation for bids in terms of paragraph 23.

## **27A. Bid Specifications or Terms of Reference**

### **27.A.1 General Requirements**

Bid Specifications or Terms of Reference, as the case may be -

- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services to the municipality;
- (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;
- (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
- (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
- (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";

### **27.A.2 Functionality**

Where functionality utilized as an evaluation criterion, specifications must clearly specify in the tender documents:

- (i) the evaluation criteria for measuring functionality which criteria must be objective, the weight of each criterion, the applicable values and the minimum qualifying score for functionality; and
- (ii) the fact that no tender will be regarded as an acceptable tender if it fails to achieve the minimum qualifying score for functionality as indicated in the tender specification concerned; and
- (iii) that tenders that have achieved the minimum qualification score for functionality will be evaluated further in terms of the preference point systems referred to in subparagraphs (3) and (4) below.

**27.A.3 80/20 Preference Points System for acquisition of goods or services for Rand value equal to or above ~~R30 000~~ R10 000 and up to R50 million**

(3.1) Where applicable, specifications must include the following preference points evaluation system for the acquisition of services, works or goods up to a Rand value of R 50 000 000 (all applicable taxes included):

- (i) the following formula will be used to calculate the points for price in respect of tenders (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R 50 000 000 (all applicable taxes included):

$$P_s = 80 \left\| \left| 1 - \frac{P_t - P_{\min}}{P_{\min}} \right| \right\|$$

Where:

- Ps = Points scored for comparative price of tender or offer under consideration;
- Pt = Comparative price of tender or offer under consideration; and
- Pmin = Comparative price of lowest acceptable tender or offer.

(ii) subject to subparagraph (iii), points must be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the following tables:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

or

In respect of Exempted Micro Enterprises (EME's)

Black Ownership of EME	Deemed B-BBEE Status Level of Contributor	Number of Preference Points
More than 50%	2	18
Less than 50%	4	12

(iii) a maximum of 20 points may be allocated under subparagraph to points scored.

(iv) the points scored by a tenderer in respect of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i);

**(3.2)** The B-BBEE status level attained by a tenderer must be used to determine the number of points contemplated in subparagraph 3.1 (ii).

**(3.3)**

**(3.4)** Specifications must also provide, as a special condition of contract, that if it is unclear which preference point system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

**(3.5)** (i) A tenderer must submit proof of its B-BBEE his/her status level of contributor.

(ii) A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but-

- (a) may only score points out of 80 for price; and
- (b) scores 0 points out of 20 for B-BBEE divided by two.

(3.5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

(3.6) The points scored must be rounded off to the nearest two decimal places.

(3.7) Subject to sub regulation (7)(9) and regulation 11 of the PPPFA Regulations of 2017 (paragraphs 29.3.8 and 29.7.3 respectively), the contract must be awarded to the tenderer scoring the highest points.

(3.8) (a) If the price offered by a tenderer scoring the highest points is not market-related, the municipality may not award the contract to that tenderer.

- (b) The municipality may –
  - (i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
  - (ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
  - (iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender
- (c) If a market-related price is not agreed as envisaged in paragraph (b)(iii), the municipality must cancel the tender

(3.9) Regarding par 9(a) at least 50% of the 20/10 points will be allocated to promote this goal and points will be allocated in terms of the BBEE scorecard as follows.

B-BBEE Status Level of Contributor	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)
1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant contributor	0	0

A tenderer must submit proof of its BBEE status level contributor [scorecard].

A tenderer failing to submit proof of BBEE status level of contributor – may only score in terms of the 80/90-point formula for price; and

scores 0 points out of 10/5 BBEE status level of contributor, which is in line with section 2 (1) (d) (i) of the Act, where the supplier or service provider did not provide proof thereof.

Regarding par 9(b) a maximum of 50% of the 20/10 points will be allocated to promote this goal. Points will be allocated as follows :

B-BBEE status Level of Contributor	Number of Points for Preference 80/20	Number of Points for Preference (90/10)
1	10	5
2	9	4.5
3	7	3
4	6	2.5
5	4	2
6	3	1.5
7	2	1
8	1	.05
Non-compliant contributor	0	0

Locality of supplier/ Local Labour	Points (80/20)	Points (90/10)
Within the boundaries of the municipality	5	3
Within the boundaries of the Western Cape District Municipality	3	1
Within the Western Cape Province	2	1

Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender.

A tenderer failing to submit proof of required evidence to claim preferences for other specified goals, which is in line with section 2 (1) (d) (ii) of the Act.

- (i) may only score in terms of the 80/90-point formula for price; and
- (ii) scores 0 points out of 10 or 5 for the relevant specific goals where the supplier or service provider did not claim.

The preference points scored by a tenderer must be added to the points scored for price.

The points scored must be rounded off to the nearest two decimal places.

The contract must be awarded to the tenderer scoring the highest procurement points.

Evidence of residence must be submitted by the Supplier and will be verified by the Bergvriër Municipality.

## Payment cycles

The payment of invoices is dependent on timely invoicing, approval of invoices and on the payment administration. Responsible officials must process approved invoices within 30 days of receiving the invoice, unless otherwise provided for in the contract.

Reasons for not approving an invoice must be communicated to the tenderer prior to the lapsing of the said 30 days.

Officials must endeavour to, where feasible, process invoices of SMME's within 5-7 working days in order to promote their cash flow position. Invoices must be submitted before 10:00 on a Wednesday, to facilitate timely payment.

3) An organ of state which has cancelled a tender invitation as contemplated in sub-regulations (1) and (2) must re-invite tenders and must, in the tender documents, stipulate the preference point system to be applied.

4) An organ of state may, prior to the award of a tender, cancel a tender if -

a) due to changed circumstances, there is no longer need for the goods or services tendered for; or

b) funds are no longer available to cover the total envisaged expenditure; or

### 27.A.4 90/10 Preference Points System for acquisition of goods or services for Rand value above R50 million

(4.1) Where applicable, specifications must include the following preference points evaluation system for the acquisition of services, works or goods with a Rand value above R 50 000 000 (all applicable taxes included):

(i) the following formula will be used to calculate the points for price in respect of tenders with a Rand value above R 50 000 000 (all applicable taxes included):

$$P_s = 90 \left\| \left| 1 - \frac{P_t - P_{min}}{P_{min}} \right| \right\|$$



Where:

Ps = Points scored for comparative price of tender or offer under consideration;

Pt = Comparative price of tender or offer under consideration; and

Pmin = Comparative price of lowest acceptable tender or offer.

- (ii) subject to subparagraph (iii), points must be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the following table:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

Or

In respect of Exempted Micro Enterprises (EME's)

Black Ownership of EME	Deemed B-BBEE Status Level of Contributor	Number of Preference Points
More than 50%	2	9
Less than 50%	4	5

- (iv) a maximum of 10 points may be allocated under subparagraph (ii). Points scored.

- (iv) the points scored by a tenderer in respect of the level of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i);

(4.2) The B-BBEE status level attained by a tenderer must be used to determine the number of points contemplated in subparagraph 4.1 (ii).

(4.3) Specifications must also must provide as a special condition of contract, that, if it is unclear which preference point system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

(4.4) (i) A tenderer must submit proof of its B-BBEE status level of contributor.

(ii) A tenderer failing to submit proof of B-BBEE status level of contributor or is a

non-compliant contributor to B-BBEE may not be disqualified, but-

- (a) may only score points out of 90 for price; and
- (b) scores 0 points out of 10 for not a certificate divided by two.

(4.5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

(4.6) The points scored must be rounded off to the nearest two decimal places.

(4.7) Subject to sub regulation (7)(9) and regulation 11 of the PPPFA Regulations of 2017 (paragraphs 29.4.8 and 29.7.3 respectively), the contract must be awarded to the tenderer scoring the highest points.

- (4.8)
- (a) If the price offered by a tenderer scoring the highest points is not market-related, the municipality may not award the contract to that tenderer.
  - (b) The municipality may –
    - (i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
    - (ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
    - (iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender
  - (c) If a market-related price is not agreed as envisaged in paragraph (b)(iii), the municipality must cancel the tender

(4.9) **FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME-GENERATING PROCUREMENT**  
**POINTS AWARDED FOR PRICE**

A maximum of 80 or 90 points is allocated for price on the following basis:

<b>80/20</b>	<b>or</b>	<b>90/10</b>
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$$P_s = 80 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right) \text{ or } P_s = 90 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where

- $P_s$  = Points scored for price of bid under consideration
- $P_t$  = Price of bid under consideration
- $P_{max}$  = Price of highest acceptable bid

**27.A.5 Local Production**

(5.1) Where, in the case of tenders in designated sectors, local production and content is of critical importance, the tender specification must clearly state, as

a condition of tender, that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content, will be considered.

**(5.2)** The tender specification must also stipulate:

**(a)** that the exchange rate to be used for the calculation of local content of local production will be the exchange rate published by the South African Reserve Bank at 12:00 on the date the tender was advertised;

**(b)** that only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x will be used to calculate local content in accordance with the following formula:

$$LC = 1 - \frac{x}{y} \times 100$$

Where

x — imported content

y — bid price excluding value added tax (VAT)

and that the prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the

South African Reserve Bank at 12:00 on the date the tender was advertised;

(c) — that the Form MBD 6.2 (Declaration Certificate for Local Content) duly complete and signed must form part of the bid documentation;

(d) — that the municipality reserves the right to verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the aforesaid Certificate.

(5.3) — The accounting officer may decide to include in any invitation to bid a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by National Treasury in consultation with the Department of Trade and Industry and, in such event, the requirements stipulated in subparagraph 5.2 shall be inserted in the tender specification.

(5.4) — Where necessary, bid specifications for tenders referred to in subparagraph 5.1 may state that a two stage tendering process will be followed, where the first stage will involve functionality and minimum threshold for local production and content and the second stage price and B-BBEE with the possibility of price negotiations only with the short listed tenderers with a view to effecting cost savings in circumstances where the tendered prices are obviously inflated or to ensure the award of the tender concerned within budgetary constraints provided that, where such negotiations take place, the principles contained in paragraph 25.1 of this policy shall be applied.

(5.5) — Any tender specification issued in terms of this subparagraph must be capable of being measured and audited.

(5.6) — A tender that fails to meet the minimum stipulated threshold for local production and content is an unacceptable tender.

#### 27.A.6 B-BBEE status level certificates and scorecards

Bid specifications must state that:

(ii) Tenderers other than Exempted Micro-Enterprises (EME's) must submit, with their tender, their original and valid B-BBEE Status Level Verification Certificate complying at least with the provisions subparagraphs (v) and (vi), or a certified copy thereof, in support of their B-BBEE rating.

(iii) A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided it submits its B-BBEE Status Level Verification Certificate with its tender.

- (iv) A trust, consortium or joint venture will qualify for points for its B-BBEE status level as an unincorporated entity, provided that it submits its consolidated B-BBEE scorecard as if were a group structure and, provided further, that such a consolidated B-BBEE scorecard is prepared for every separate tender.
- (v) As a minimum requirement, all valid B-BBEE Status Level Verification Certificates should have the following information detailed on the face of the certificate.
  - The name and physical location of the measured entity;
  - The registration number and, where applicable, the VAT number of the measured entity;
  - The date of issue and date of expiry;
  - The certificate number for identification and reference for large entities threshold > R50 000 000 ;
  - The scorecard that was used (for example EME, QSE or Generic);
  - The name and / or logo of the Verification Agency for for large entities threshold > R50 000 000 ;
  - The SANAS logo for large entities threshold > R50 000 000;
  - The signature of the authorized person from the Verification Agency concerned; and
  - The B-BBEE Status Level of Contribution obtained by the measured entity.

#### 27.A.7 Additional Conditions

A bid specification must include a reference to the following additional conditions, where applicable:

##### 27.A.7.1 Sub-contracting as a condition of tender

- (a) ~~If feasible to subcontract for a contract above R30 million, the municipality must apply subcontracting to advance designated groups.~~
- (b) ~~If an organ of state applies subcontracting as contemplated in paragraph (a), the municipality must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to:
 
  - (i) ~~an EME or QSE;~~
  - (ii) ~~an EME or QSE which is at least 51% owned by black people;~~
  - (iii) ~~an EME or QSE which is at least 51% owned by black people who are youth;~~
  - (iv) ~~an EME or QSE which is at least 51% owned by black people who are women;~~
  - (v) ~~an EME or QSE which is at least 51% owned by black people with disabilities;~~
  - (vi) ~~an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;~~
  - (vii) ~~a cooperative which is at least 51% owned by black people;~~
  - (viii) ~~more than one of the categories referred to in subparagraphs (i) to (vii).~~~~
- (c) ~~The municipality must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in paragraph (b) from which the~~

tenderer must select a supplier

- (d) The municipality may apply similar subcontracting principles as outlined in paragraph (a) and (b) the CIDB requirements for tenders below R30 million with the minimum percentage of subcontracting determined per individual tender.

#### **27.A.7.2 Sub-contracting after award of tender**

~~(a) A person awarded a contract may only enter into a subcontracting arrangement with the approval of the municipality.~~

~~(b) A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an exempted micro-enterprise that has the capability and ability to execute the sub-contract.~~

#### **27.A.8 Miscellaneous Special Conditions of Contract**

A bid specification must, inter alia, include the following conditions as Special Conditions of Contract:

##### **27.A.8.1 General**

- (a) Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered;
- (b) When comparative prices must be calculated, any discounts which have been offered unconditionally will be taken into account;
- (c) A discount which has been offered conditionally will, despite not being taken into account for evaluation purposes, be implemented when payment to a tenderer in respect of an accepted tender is effected;
- (d) Points scored will be rounded off to the nearest 2 decimal places.
- (e)
- (i) In the event that two or more tenders score equal total points, the successful tender will be the one scoring the highest number of preference points for B-BBEE;
  - (ii) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for B-BBEE, the successful tender will be the one scoring the highest score for functionality-
  - (iii) Should two or more tenders be equal in all respects, the award shall be made according to paragraph 38.
  - (iv) Should two or more tenders still be equal in all respects after applying paragraph 38, then the award shall be decided by the drawing of lots.

##### **27.A.8.2 Cancelling a tender**

- (a) The accounting officer may, prior to the award of a tender, cancel such tender if:
- (i) due to changed circumstances, there is no longer a need for the services, works or goods requested; or

- (ii) funds are no longer available to cover the total envisaged expenditure; or
  - (iii) no acceptable tenders are received; or
  - (iv) there is a material irregularity in the tender process.
- (b) The decision to cancel a tender invitation in terms of paragraph (a) must be published on the Municipal website.
- (c) The municipality may only with the prior approval of the relevant treasury cancel a tender invitation for the second time.

### 27.A.8.3 Declarations

- (a) A tenderer must -
- (i) declare that the information provided in a tender document is true and correct;
  - (ii) declare that the signatory to a tender document is duly authorised; and
  - (iii) undertake to submit documentary proof regarding any tendering issue when required to the satisfaction of the municipality.

### 27.A.8.4 Remedies

- (a) In addition to the action contemplated in paragraph 41 of this policy which shall be read in conjunction with this subparagraph:
- (i) Upon detecting that a tenderer submitted false information regarding its BBEE status level of contributor, local production and content, or any other matter required in terms of the PPPFA
  - (ii) Regulations 2022 which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the municipality must-
    - (a) inform the tenderer accordingly;
    - (b) give the tenderer an opportunity to make representations within 14 calendar days as to why-
      - (i) the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;
      - (ii) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalised up to 10 percent of the value of the contract; and
      - (iii) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and
    - (c) if it concludes, after considering the representations referred to in subparagraph (i)(b), that-
      - (i) such false information was submitted by the tenderer-
        - (aa) disqualify the tenderer or terminate the contract in whole or in part; and
        - (bb) if applicable, claim damages from the tenderer; or
      - (ii) the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalise the tenderer up to 10 percent of the value of the contract.
  - (iii)(a) The municipality must-
    - (i) inform the National Treasury, in writing, of any actions taken in terms of subparagraph (i);
    - (ii) provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and

- (iii) submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.
- (b) The National Treasury may request the municipality to submit further information pertaining to subparagraph (1) within a specified period.
- (iii) The National Treasury must-
  - (a) after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years; and
  - (b) maintain and publish on its official website a list of restricted suppliers.

**27.B. Procurement from tertiary institutions**

- (a) Where the municipality is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process with the identified tertiary institutions.
- (b) Tertiary institutions referred to in subparagraph (a) will be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- (c) Should the municipality require a service that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a contractor will be done by means of a tendering process.
- (d) Public entities must be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- (e) For purposes of this paragraph, a tendering process includes a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of services, works or goods, through price quotations, advertised competitive tendering processes or proposals.

**27.C. Re-invitation of tenders**

The accounting officer must re-invite tenders cancelled in terms of paragraphs 29(3.3) and 29(4.3) and must, in the new tender documents, stipulate the correct preference point system to be applied.

**28. Bid evaluation committees**

- (1) A bid evaluation committee must, as far as possible, be composed of-
  - (a) officials from departments requiring the goods or services; and
  - (b) at least one supply chain management practitioner of the municipality.
- (2) A bid evaluation committee must -
  - (a) evaluate bids in accordance with the relevant bid specification, inclusive of unconditional discounts, ~~sub-contracting~~ and this policy; and
  - (b) evaluate each bidder's ability to execute the contract provided that, where bids are invited on the basis of functionality as a criterion, they must be



evaluated in the following two stages:

**(i) First stage - evaluation of functionality**

- (a)** bids must be evaluated in terms of the evaluation criteria embodied in the bid specification. The amendment of evaluation criteria, weights, applicable values and/or the minimum qualifying score for functionality after the closure of bids is not allowed as this may jeopardize the fairness of the process;
- (b)** a bid will be considered further if it achieves the prescribed minimum qualifying score for functionality.
- (c)** bids that fail to achieve the minimum qualifying score for functionality must be disqualified;
- (d)** score sheets should be prepared and provided to panel members to evaluate the bids;
- (e)** a score sheet should contain all the criteria and the weight for each criterion as well as the values to be applied for evaluation as indicated in the bid specification or terms of reference;
- (f)** each panel member should, after thorough evaluation, independently award his own value to each individual criterion;
- (g)** score sheets should be signed by panel members and if necessary, a written motivation may be requested from panel members where vast discrepancies in the values awarded for each criterion exist -

provided that if the minimum qualifying score for functionality is indicated as a percentage in the bid specification, the percentage scored for functionality may be calculated as follows:

- (h)** the value awarded for each criterion should be multiplied by the weight for the relevant criterion to obtain the score for the various criteria;
- (i)** the scores for each criterion should be added to obtain the total score; and
- (j)** the following formula should be used to convert the total score to percentage for functionality:

$$P_s = \frac{S_o}{M_s} \times 100$$

Where:

Ps = percentage scored for functionality by bid under consideration

So = total score of bid under consideration

Ms = maximum possible score

(k) the percentage of each panel member should be added and divided by the number of panel members to establish the average percentage obtained by each bidder for functionality.

**(ii) Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems**

Only bids that achieve the minimum qualifying score / percentage for functionality must be evaluated further in accordance with the bid specification.

**(ii) First stage - Evaluation in terms of the 80/20 or 90/10 preference point systems**

(e) only bids that achieve the minimum stipulated threshold for local production and content must be evaluated further in accordance with the relevant preference point system referred to in the bid specification.

(f) where appropriate, prices may be negotiated only with short listed or preferred bidders. Such negotiations must, however, not prejudice any other bidders.

(d) check in respect of the recommended bidder and its directors' whether or not such bidder's and its directors' municipal rates and taxes and municipal service charges are not in arrears;

(e) verify the status of recommended bidders (including their directors(s), owners(s) or trustee(s)) by checking the Data Base of Restricted Suppliers maintained by National Treasury in order to ensure that no recommended bidder or any of its directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector.

(f) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter provided that:

(i) a contract must be awarded to the bidder who scored the highest total number of points in terms of the preference points systems referred to in paragraphs 29(3.3) and 29(4.3) as may be applicable; and

(ii) in exceptional circumstances and as provided in paragraph 29(7.2) of this policy, a contract may be awarded to a bidder that did not score the highest number of points provided that the reasons for such a recommendation must be recorded for audit purposes and be defensible in a court of law.

## 29. Bid adjudication committees

- (1) A bid adjudication committee must consist of at least four senior managers of the municipality which must include -
  - (a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
  - (b) at least one senior supply chain management practitioner who is an official of the municipality; and
  - (c) a technical expert in the relevant field who is an official of the municipality if the municipality has such an expert;
  - (d) the accounting officer may second a person with same authority as a member of the committee, temporarily in the event of a member being sick or on leave;
  - (e) a Quorum for the bid adjudication committee shall be, half plus one (rounded up to nearest whole number) member of the total number of members with voting rights, including the Senior Supply Chain Manager with voting rights.
- (2) The accounting officer must appoint the chairperson of the committee who shall preferably be the chief financial officer. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting and such election must be recorded in the minutes of the meeting concerned.
- (3) Only with the consent of the accounting officer and upon request by the bid adjudication committee, a member of a bid specification, bid evaluation committee and/or an advisor or person assisting these committees may be a member of a bid adjudication committee for the purpose of providing clarity and an explanation of difficult technical aspects relating to the bid being adjudicated.
- (4) A bid adjudication committee must –
  - (a) consider the report and recommendations of the bid evaluation committee submitted in terms of paragraph 32; and
  - (b) either –
    - (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
    - (ii) make another recommendation to the accounting officer on how to proceed with the relevant procurement.
- (5) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid -
  - (a) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and
  - (b) notify the accounting officer.

- (6) The accounting officer may -
  - (a) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in subparagraph 5(a); and
  - (b) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- (7) The accounting officer may, at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (8) If a tender other than the one recommended in the normal course of implementing this policy is approved, the accounting officer must, in writing and within 10 working days, notify the Auditor-General and the National and Provincial Treasuries of the reasons for deviating from such recommendation.
- (9) Subparagraph 8 does not apply if a different tender was approved in order to rectify an irregularity.

### **30. Procurement of banking services**

- (1) A contract for banking services -
  - (a) must be procured through competitive bids;
  - (b) must be consistent with section 7 or 85 of the Act; and
  - (c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 23 (1).
- (4) Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

### **31. Procurement of IT related goods or services**

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if -
  - (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

- (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality does not agree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National and Provincial Treasuries and the Auditor-General.

### **32. Procurement of goods and services under contracts secured by other organs of state**

- (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if -
  - (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - (b) there is no reason to believe that such contract was not validly procured;
  - (c) there are demonstrable discounts or benefits to do so; and
  - (d) that other organ of state and the provider have consented to such procurement in writing.
- (2) Subparagraphs (1) (c) and (d) do not apply if -
  - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
  - (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

### **33. Procurement of goods necessitating special safety arrangements**

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

### **34. Proudly SA Campaign**

The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

Firstly – suppliers and businesses within the Bergrivier municipal area;

Secondly – suppliers and businesses within the West Coast district municipal area and Western Cape provincial area;

Thirdly – suppliers and businesses within the rest of Republic of South Africa.

### **35. Appointment of consultants**

- (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if -
  - (a) the value of the contract exceeds R200 000 (VAT included); or
  - (b) the duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of -
  - (a) all consultancy services provided to an organ of state in the last five years; and
  - (b) any similar consultancy services provided to an organ of state in the last five years.
- (4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised by a consultant in the course of the consultancy service is vested in the municipality.
- (5) **Before the appointment of a consultant the reduction evaluation must be completed by the User Department.**

### **36. Deviation from, and ratification of minor breaches of, procurement processes**

- (1) The accounting officer may -
  - (a) Dispense with the official procurement processes established by this policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only -
    - (i) in an emergency;
    - (ii) if such goods or services are produced or available from a single provider only;
    - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
    - (iv) acquisition of animals for zoos and/or nature and game reserves; or
    - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
  - (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1) (a) and (b) of this policy and report them to the next meeting or any other appropriate meeting of the council and also include such reasons as a note to the annual financial statements.

- (3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

### **37. Unsolicited bids**

- (1) An unsolicited bid is a bid that is submitted by a prospective supplier to the municipality without any procurement requirement first having been identified and advertised. This situation arises when a supplier identifies an opportunity to render services or supply products not ordinarily required by the municipality.
- (2) In accordance with section 113 of the Act, there is no obligation upon the municipality to consider unsolicited bids received outside a normal bidding process.
- (3) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid but only if -
  - (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
  - (b) the product or service will be exceptionally beneficial to the municipality or have exceptional cost advantages;
  - (c) the person who made the bid is the sole provider of the product or service concerned; and
  - (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- (4) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (3), his decision must be made public in accordance with section 21A of the Municipal Systems Act, together with -
  - (a) reasons as to why the bid should not be open to other competitors;
  - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
  - (c) an invitation to the public or other potential suppliers to submit their comments on the proposal within 30 days of the publication of the relevant notice.
- (5) The accounting officer must submit all written comments received pursuant to subparagraph (4), including any responses from the unsolicited bidder, to the National and Provincial Treasuries for comment.
- (6) Subject to subparagraphs (7) and (8) below, the adjudication committee must consider the unsolicited bid and may, depending on its delegations, award the bid or make a recommendation to the accounting officer.
- (7) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (8) When considering the matter, the adjudication committee must take into account -
  - (a) any comments submitted by the public; and

- (b) any written comments and recommendations of the National and Provincial Treasuries.
- (9) If any recommendations of the National and Provincial Treasuries are rejected or not followed, the accounting officer must submit to the Auditor-General and the National and Provincial Treasuries the reasons for rejecting or not following those recommendations.
- (10) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.
- (11) The processes to be followed by the municipality with regard to the acceptance or rejection of an unsolicited bid shall clearly be made known to the bidder who submits the unsolicited bid concerned.
- (12) The council shall exercise caution when interviewing a potential supplier or a person who may wish to offer services to the municipality in circumstance which may be tantamount to the submission of or negotiation with regard to an unsolicited bid and shall not do anything or cause anything to be done which may be contrary to this policy.

### **38. Combating of abuse of supply chain management system**

- (1) The accounting officer must-
  - (a) take all reasonable steps to prevent abuse of the supply chain management system;
  - (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this policy, and when justified -
    - (i) take appropriate steps against such official or other role player; or
    - (ii) report any alleged criminal conduct to the South African Police Service;
  - (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
  - (d) reject any bid from a bidder –
    - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
    - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;



- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
  - (f) cancel a contract awarded to a person if -
    - (i) such person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
    - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
  - (g) Reject the bid of any bidder if that bidder or any of its directors -
    - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
    - (ii) has been convicted for fraud or corruption during the past five years;
    - (iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
    - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The accounting officer must inform the National and Provincial Treasuries in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) above.
- (2) If the accounting officer, on reasonable grounds, believes that a bidder or a contractor has engaged in bid rigging, he shall refer the matter to the Competition Tribunal for investigation and the taking of action against the bidder or contractor concerned in a manner contemplated in the Competition Act No. 89 of 1998.

### **(3) CONSEQUENCE MANAGEMENT – SECTION 175 OF THE MFMA**

The code of ethical standard shall apply to all officials and other role players in the supply Chain management system of the municipality in order to promote -

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

A breach of the aforesaid code of ethics must be dealt with as follows -

- (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
- (b) in the case a role player who is not an employee, through other appropriate means with due regard to the severity of the breach;
- (c) in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

## Part 3: Logistics, Disposal, Risk and Performance Management

### 39. Logistics management

The accounting officer must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

### 40. Disposal management

- (1) In terms of section 14 of the Act, the municipality may not transfer ownership as a result of sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.
- (2) A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the council, in a meeting open to the public-
  - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
  - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

In consideration of (a) and (b) above it is necessary to understand the terminology and principles contained in the requirements as follows:

Minimum levels of basic service – Consideration must be given to current need for services as well as future needs, we can therefore not sell a property now and then need to buy a similar property later at a higher price to provide a municipal service.

Fair market value – The price that a willing buyer is willing to pay a willing seller in an arms-length transaction. Only a professional registered valuer can determine this valuation.

It also determines in Section 14(5) of the MFMA that any transfer of ownership of a capital asset must be fair equitable, transparent, competitive and consistent with the disposal management system, thus the supply chain management policy of the municipality.

The supply chain policy of the municipality requires the disposal of capital assets to be fair, equitable transparent and competitive.

**WHEN AN APPLICATION IS RECEIVED, DO THE FOLLOWING:**

1. Determine whether the property in question is an exempted or non-exempted capital asset in terms of the MFMA. Property is exempted if transferred to a municipality, municipal entity, provincial organ of state etc. **(See definitions in the Regulations and MFMA, Sect 14(6) to determine whether an asset is exempted or not)**
2. **All moveable assets will be sold by way of a public auction and immovable assets will be sold on a SCM process.**
3. If Non-exempted it may only be transferred after the following was done:
  - a. Accounting officer has conducted a public participation process.
  - b. Municipal council has made the following determinations in terms of Section 14(2) of the MFMA in a meeting open to the public
    - i. That the asset is not needed to provide the minimum level of basic municipal services
    - ii. Considered the fair market value and economic and community value to be received in exchange for the asset.
  - c. Public participation process only needed to inform the determination by council in (i) and (ii) above if the asset is a high value capital asset (R10 Mil) or (exceeds 1% of total value of assets thus more than R3.8 Million)
  - d. Only the council may authorise a public participation process referred to in (a) and a request to approve the process must be accompanied by the following:
    - i. Valuation
    - ii. Reasons for disposal
    - iii. Expected benefits to municipality
    - iv. Expected proceeds to be received
    - v. Any expected gain or loss
  - e. If a public participation process is authorised the Accounting officer must:
    - i. At least 60 days prior to meeting make public i.t.o. Section 21A of the Municipal Systems Act (Advertisement in Local Media and on Web page) the proposal to transfer or dispose.
    - ii. Invite the local community to comment
    - iii. Solicit views from NT and PT
4. Consideration of proposals – Upon consideration of a proposal, a municipal council must take into account:
  - The factors as set out in Regulation 7 (a) to (l) must be considered
    - (a) Whether it may be required for own use
    - (b) The expected loss or gain to result from the transaction
    - (c) The extent to which the compensation will result in a financial loss or gain to the municipality

Council MUST consider these 2 points at start of process

The report to council should contain these questions in a table format and the questions needs to be answered by the department submitting the report.

- (d) The risk and reward associated with the operation or control of the asset in relation to the municipality's interests
  - (e) The effect of the disposal/transfer on the credit rating ability to raise loans, cash flow position
  - (f) Any limitations or conditions attached to the asset
  - (g) Estimated cost of the proposed transfer
  - (h) Transfer of any liabilities and reserves associated with the asset
  - (i) Comments or representations received from the local community
  - (j) Written views from the NT and PT
  - (k) Interests of the state, municipality or community at stake
  - (l) Compliance with legislative regime
5. Conditional approval – Regulation 11 states that; Approval **in principle** may be given to transfer a non-exempted capital **asset subject to any conditions**, including
- a. The way it is to be sold or disposed of
  - b. Floor price or minimum compensation
  - c. If price is less than fair market value consider the following: (Reg. 13(2))
    - i. Is it in the public interest
    - ii. Does it address the plight of the poor
    - iii. Take into account the interest of the local community and the state
    - iv. The strategic economic interest of the municipality including long term
    - v. Constitutional rights of all parties affected by the decision
    - vi. Whether the interest of the affected carries more weight than that of the local community (individual interest vs. collective interest)
    - vii. If local community would be served better if the asset is transferred at less than fair market value compared to fair market value.
  - d. A framework within which direct negotiations for the transfer or disposal of the capital asset must be conducted with another person if the proposal is subject to direct negotiations.
6. Regulation 12 determines that; Disposal of a non-exempted capital asset may take place only in accordance with Disposal Management Process (SCM process), irrespective of;
- a. The value of the capital asset.
  - b. Whether the asset is to be transferred to a private sector party or an organ of state.
- Thus after council decides upon the disposal method, whether sale or rental, an appropriate SCM process must be followed, the value of the property will determine the SCM process.***
- If an offer is received prior to council decision or as a triggering occurrence, it should still be subjected to an appropriate SCM process after the in-principle decision has been obtained from the council. An offer to purchase or rent is regarded as being an unsolicited bid and the process to be followed is long and arduous and requires National Treasury input and have prolonged timeframes, advertisement requirements, it is therefore not recommended.
7. Regulation 12(2) determines when the disposal management system (usually SCM system) does not apply and that is only:
- a. If the municipality reviews its service delivery mechanism i.t.o. chapter 8 of the Municipal Systems Act

- b. If the municipality appoint a private sector party through a competitive process for the performance of a municipal service
- c. If the capital asset is transferred as an integral component of the performance of that municipal service to the service provider.

<b>GRANTING OF RIGHTS TO USE CONTROL OR MANAGE CAPITAL ASSETS</b>
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8. The requirements of chapter 4 does not apply to:

- a. Right to use, control or manage i.t.o. PPP's
- b. Right on municipal to housing for the poor

Regulation
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The granting of a right to use, manage and control a capital asset must be dealt with in accordance with Chapter 2 (Thus similar to disposal of capital assets) if:

- a. The right is granted for an undetermined period
- b. The period exceeds the useful life or economic usefulness
- c. Confers on the person to whom the right is granted;
  - i. The option to buy or acquire ownership
  - ii. The power to use, control or manage as if the person is the beneficial but not legal owner.

9. A municipality may grant the right to use, manage or control a capital asset (Reg. 34 (1)(b) but only after the accounting officer has conducted a public participation process in accordance with Reg. 35 and the council has given an in-principle approval.

A request to authorise a public participation process must be accompanied by an information statement containing:

- i. Reasons for disposal
- ii. Expected benefits to municipality
- iii. Expected proceeds to be received
- iv. Any expected gain or loss

Public participation only necessary is Value in excess of R10 Million **and** a long-term right is proposed to be granted. (Long-term - a period of more than 3 years)

10. Regulation 35 determines that the accounting officer must at least 60 days before the meeting where the council considers the decision to grant a right to use, manage and control a high value capital asset (in excess of R10 Million) make public the proposal in accordance with Section 21A of the MSA inclusive of

- a. Information statement
- b. Invite the local community for comment and representations
- c. Solicit views from NT and PT

11. If the control of the property is relinquished by decision of council for a long term lease or other means of controlling the asset than that of an outright sale, the determinations in terms of Regulation 36 of the MAT regulations must also be taken into account being:

- a. Whether the capital asset may be required for the municipality's own use during the period for which the right is granted
- b. The extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset

that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the municipality.

- c. The risks and rewards associated with the use, control or management of the capital asset in relation to the municipality's interests;
  - d. Any comments representations on the proposed granting of the right received from the local community and other interested persons;
  - e. Any written views and recommendations on the proposed granting of the right by the National Treasury and relevant provincial treasury
  - f. The interests of any affected organ of state, the municipality's own strategic, legal and economic interests of the local community; and
  - g. Compliance with the legislative regime applicable to the proposed granting of the right.
12. Once the decision of the council has been taken in disposing the asset or to relinquish the control over the asset by means of a rental or a long-term rental, the SCM processes must be followed for the disposal of the property. (Regulation 41)
  13. When an item is taken to council for consideration, the council must be made aware of the valuation of the property as well as give consideration to the requirements in point 10 above.
  14. In-principle approval can be granted and conditions may also be attached to the in-principle approval as contained in Regulation 40 (a)(b) and(c).
  15. Delegations – The power to make a determination as prescribed in Section 14 (2)(a) and(b) of the MFMA in respect of the need for municipal services and valuation, in accordance with Regulation 5 as well as 34 and to then decide to either sell or relinquish control can be delegated to the Accounting officer below a prescribed value (The municipal council to determine the value)
- (3)** Assets may be disposed of by -
- (i)** transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
  - (ii)** transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
  - (iii)** selling the asset; or
  - (iv)** destroying the asset.
- (4)** The accounting officer must ensure that -
- (a)** when immovable property is sold by means of a competitive bidding process, the highest price offered shall be accepted, provided such price is equal to or higher than the market related price for the relevant immovable property;
  - (b)** in other cases, only at a market related price except when the public interest or the plight of the poor demands otherwise in which event the sale price shall be determined in accordance with the applicable land disposal or indigent policy adopted by the council;

- (c) movable assets are sold either by way of by public auction at the highest offered price, provided such price is market related;
  - (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
  - (d) immovable property is let at market related rentals except when the public interest or the plight of the poor demands otherwise in which event the rental shall be determined in accordance with the applicable land disposal or indigent support policy adopted by the council;
  - (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
  - (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
  - (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate, within 30 days, whether any of the local schools are interested in the equipment.
  - (h) The SCM unit will prepare a list for disposal and then the office of the Mayor can decide if assets must be removed from the list for the use by registered NGO,s that have a need, before the SCM process can start.
- (5) This paragraph must be read with and applied in conjunction with the Municipal Asset Transfer Regulations contained in Government Notice R. 878 of 22 August 2008 and the associated policies adopted by the council. In the event of conflict, the provisions of the aforesaid Regulations shall be applied.

#### **41. Risk management**

- (1) The accounting officer must establish and implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.
- (2) Risk management must include -
  - (a) the identification of risks on a case-by-case basis;
  - (b) the allocation of risks to the party best suited to manage such risks;
  - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
  - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
  - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

#### **42. Performance management**

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorized supply chain management processes were followed and whether the objectives of this policy were achieved.

## **Part 4: Other matters**

### **43. Prohibition on awards to persons whose tax matters are not in order**

- (1) No award above R 15 000 may be made in terms of this policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person, the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days of request for confirmation in terms of subparagraph (2), such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.
- (4) Allow service providers 7 days to rectify their online status with SARS if it shows non-compliant or in-active.

### **44. Prohibition on awards to persons in the service of the state**

Irrespective of the procurement process followed, no award may be made to a person in terms of this policy -

- (a) who is in the service of the state;
- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) who is an advisor or consultant contracted with the municipality.

### **45. Awards to close family members of persons in the service of the state**

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

### **46. Ethical standards**

(1) The code of ethical standards annexed to this policy as Annexure A shall apply to all officials and other role players in the supply chain management system of the municipality in order to promote -

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A breach of the aforesaid code of ethics must be dealt with as follows -

- (b) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;



- (b) in the case a role player who is not an employee, through other appropriate means with due regard to the severity of the breach;
- (d) in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

#### **47. Inducements, rewards, gifts and favours to municipalities, officials and other role players**

- (1) No person who is a provider or prospective provider of goods or services or a recipient or prospective recipient of goods disposed of or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -
  - (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
  - (b) any reward, gift, favour or hospitality to -
    - (i) any official; or
    - (ii) any other role player involved in the implementation of this policy.
- (2) The accounting officer must promptly report any alleged contravention of subparagraph 1 to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Subparagraph (1) does not apply to gifts less than R350 in value.

#### **48. Sponsorships**

The accounting officer must promptly disclose to the National and Western Cape Provincial Treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary by any person who is -

- (a) a provider or prospective provider of goods or services to the municipality; or
- (b) a recipient or prospective recipient of goods disposed of or to be disposed of by the municipality.

#### **49. Objections and complaints**

Persons aggrieved by decisions or actions taken in the implementation of the supply chain management system, may lodge with the accounting officer, within 14 calendar days of the decision or action, a written objection or complaint against the decision or action concerned.

#### **50. Resolution of disputes, objections, complaints and queries**

- (1) The accounting officer may appoint an independent and impartial person, not directly involved in the supply chain management processes -
  - (a) to assist in the resolution of disputes between the municipality and other persons regarding -

- (i) any decisions or actions taken in the implementation of the supply chain management system; or
  - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
  - (iii) delegate power to the SCM Manager to dismiss non-merit objections
- (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The accounting officer or another official designated by the accounting officer is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must -
  - (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - (b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the Western Cape Provincial Treasury if -
  - (a) the dispute, objection, complaint or query is not resolved within 60 days of lodgement; or for an opinion, or
  - (b) no response is forthcoming within 60 days of lodgement.
- (5) If the Western Cape Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query concerned may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a competent court for such order as may be just and necessary in the circumstances at any time.

## **51. Contracts providing for compensation based on turnover**

If a service provider acts on behalf of the municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate -

- (a) a cap on the compensation payable to the service provider; and
- (b) that such compensation must be performance based.

### **51.A. Contract Management – issue of variation orders**

- (a) The accounting officer or nominee may, subject to subparagraphs (b) to (d) authorize the issue of variation orders in respect of contract specifications or conditions of contract in order to accommodate costs for additional work either unforeseen when contracts were awarded for infrastructure projects, essential or necessary additional work or in instances where factors beyond the control of an appointed contractor has led to or will lead to a delay in a contract completion date.

- (b) A variation order may only be issued after –
  - (ii) the need for such order has been fully motivated by the responsible project manager and supported by the head of department concerned; and
  - (iii) the chief financial officer has certified that funds are available to cover the cost the required additional work.
  - (iv) Consultants not more than 15% of the contract awarded and for construction projects not more than 20% of the contract awarded.
- (c) That it is noted that new guidelines in terms of SIPDM is adopted although the regulation makes provision for projects more than R50 000 000, for control measures Bergvriev Municipality will adhere to it from inception date on MIG projects and capital projects more than R3 000 000.00 budget.
- (d) A request for the issue of a variation order in shall first be referred to the Bid Adjudication Committee which considered the initial bid for approval provided that the accounting officer may constitute a new Bid Adjudication Committee for this purpose.
- (e) No request for a variation order may be approved in circumstance where new bids may be invited for the additional work concerned.
- (f) The line manager responsible for the implementation of a project undertaken either departmentally or through an appointed contractor must keep a proper record of all variation orders issued in respect of a project.
- (g) The original copy of an issued variation order must be filed with the original bid and contract documents;
- (h) The responsible line manager must, upon completion of additional work or the expiry of any extended contract period authorized by a variation order, certify that the terms and conditions of such variation order have been complied with.

#### **51.B. Application of policy to municipal entities**

- (a) The provisions of this policy generally do not apply to municipal entities.
- (b) The supply chain management system of a municipal entity shall be applied with due regard to the provisions of this policy and the Regulations and, in the event of conflict, the provisions of the Regulations shall enjoy preference.

#### **51.C. Fronting**

- (a) For purposes of this paragraph, “fronting” shall include the under-mentioned acts on the part of a tenderer or any person or party associated with a tenderer:
  - (i) **Window-dressing:** This includes cases in which black people are appointed or introduced to an enterprise on the basis of tokenism and may subsequently be discouraged or inhibited from substantially participating in the core activities of the enterprise concerned and/or be discouraged or inhibited from substantially participating in the declared areas and/or levels of their participation;

- (ii) **Benefit Diversion:** This includes initiatives where the economic benefits received by an organization for having B-BBEE Status do not flow to black people in the ratio specified by law;

- (iii) **Opportunistic Intermediaries:** This includes enterprises that have concluded agreements with other enterprises in order to leverage the opportunistic intermediary's favourable B-BBEE status in circumstances where the agreement involves:
- (a) Significant limitations or restrictions on the identity of the opportunistic intermediary's suppliers, service providers, clients or customers;
  - (b) The maintenance of their business operations in a context reasonably considered improbable having regard to resources; and
  - (c) Terms and conditions that are not negotiated at arms-length on a fair and reasonable basis.
- (c) Where the accounting office detects fronting, he must act against a tenderer concerned in terms of paragraph 29(8.4) and, in addition, report such fronting to the Department of Trade and Industry.

## **52. Infrastructure Procurement**

### **52.1 Introduction**

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation. The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

### **52.2 MINIMUM REQUIREMENT FOR INFRASTRUCTURE PROCUREMENT**

52.2.1 Infrastructure procurement must be undertaken in accordance with all applicable Infrastructure Procurement related legislation and this Framework.

52.2.2 Infrastructure procurement must be implemented in accordance with the institutional Supply Chain Management System, which promotes differentiated procurement for infrastructure.

52.2.3 Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in clause 6.3 below.

52.2.4 The Accounting Officer must ensure that a budget is available for the duration of the project, in line with MFMA provisions for capital and operating budgets.

52.2.5 The Accounting Officer must ensure that cash flow management processes are in place to meet payment obligations within the time periods specified in the contract.

52.2.6 Procurement gates provided in 53.3 below must be used, as appropriate, to:

- a) Authorise commencement of activities that lead to the next control gate;
- b) Confirm conformity with requirements; and/or
- c) Provide information to eliminate any cause of non-conformity and to prevent reoccurrence.

52.2.7 The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply relevant built environment knowledge and skill to achieve the intended results required at the relevant procurement gate. The level of detail contained in the documentation on which a decision to proceed to the next procurement gate is made, must be sufficient to enable an informed decision.

52.2.8 The Accounting Officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.

52.2.9 The Accounting Officer must develop and implement an effective and efficient infrastructure disposal policy in line with the Municipal Asset Transfer Regulations. The institution may consider disposal strategies aligned to their internal disposal policy, prior to proceeding with the procurement strategy.

52.2.10 The Accounting Officer must keep records of Procurement Gate Approvals, in a manual or electronic format, with the following minimum requirements:

- a) Procurement gate;
- b) Delegated person/s or body;
- c) Date on which the approval request was received;
- d) Date on which the approval was actioned; and
- e) Signature of the delegated person or body.

52.2.11 All assets must be recorded in the municipal asset register as required by the GRAP standards.

## **52.3 PERFORMANCE GUARANTEES ON CAPITAL PROJECTS**

### **PRINCIPLES**

52.3.1 Performance guarantees should be commensurate with the degree of contractual risk to which the municipality is exposed when necessary.

52.3.2 In cases of large and complex contracts, it is advisable to call for bid guarantees to prevent the submission of irresponsible bids.

52.3.3 Performance guarantees should spread the cost of the risk of failure between the contracting parties and should be set at such a level that all the municipality's costs relating to such failure are likely to be recovered.

**52.4. Infrastructure Procurement Gates**

### **Procurement Gate 1**

- a) Initiate a procurement process;
- b) Minimum Requirement for Gate 1:
  - 1) Establish and clarify the procurement need, aligned to the municipality's development and transformation priorities specified in the IDP.
  - 2) Determine a suitable title for the procurement, to be applied as the project description.
  - 3) Prepare the broad scope of work for the procurement – User Department
  - 4) Perform market analysis. – User Department
  - 5) Estimate the financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work. – User Department
  - 6) Confirm the budget. – BTO Manager
  - 7) Compliance with section 33 of the MFMA with respect to community and stakeholder consultation.
- c) **Gate 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.**

### **Procurement Gate 2**

- a) Approve procurement strategy to be adopted. Director
- b) Minimum Requirement for Gate 2:
  - 1) Develop a procurement strategy aligned to the institutional procurement strategy:
    - a. Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks; and the methodology for contractor payments. – User Department
    - b. Identify service required for works. – User Department
    - c. Decide on contracting strategy. – Specifications Committee
    - d. Decide on pricing strategy. – User Department
    - e. Decide on form of contract. – Specifications Committee
    - f. Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code. – Specification Committee
- c) **Gate 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.**

### **Procurement Gate 3**

- a) Approve procurement documents.
- b) Minimum requirements for Gate 3:
  - 1) Prepare procurement documents that are compatible with:
    - (i) approved procurement strategies. Director sign Specifications off
    - (ii) project management design documentation. User Department
- c) **Gate 3 is complete when the Bid Specification Committee approves the procurement document. .**

### **Procurement Gate 4**

- a) Confirm that cash flow processes are in place to meet projected contractual obligations. – User Department
- b) Minimum requirement for Gate 4
  - 1) Confirm that cash flow processes are in place to meet contractual obligations. BTO Manager
  - 2) Establish control measures for settlement of payments within the time period specified in the contract. Director



c) **Gate 4 is complete when a delegated person or body confirms in writing that cash flow processes are in place; and control measures are established for the procurement to take place.**

#### **Procurement Gate 5**

- a) Solicit tender offers.
- b) Minimum requirements for Gate 5
  - 1) Invite contractors to submit tender offers. SCM
  - 2) Receive tender offers. SCM
  - 3) Record tender offers. SCM
  - 4) Safeguard tender offers. SCM
- c) **Gate 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.**

#### **Procurement Gate 6**

- a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.
- b) Minimum Requirement for gate 6:
  - 1) Determine whether tender offers are complete. User Department
  - 2) Determine whether tender offers are responsive. SCM
  - 3) Evaluate tender submissions. Evaluation Committee
  - 4) Review minimum compliance requirements for each tender. Evaluation Committee
  - 5) Perform a risk analysis. User Department
  - 6) Prepare a report on tender offers received, and on their achievement of minimum compliance. First User Department then SCM
- c) **Gate 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.**

#### **Procurement Gate 7**

- a) Award the contract.
- b) Minimum Requirement for Gate 7:
  - 1) Bid adjudication committee review of the BEC evaluation report. BAC
  - 2) Bid Adjudication Committee makes a recommendation of an award. BAC
  - 3) Accounting Officer approval of the tender process. MM
  - 4) Notify successful tenderer and unsuccessful tenderers of the outcome. SCM
  - 5) Sign contract document. User Department
  - 6) Formally accept tender offer. SCM

**Gate 7 is complete when the Accounting Officer, or the Bid Adjudication Committee where delegated, confirms that the tenderer has provided evidence of complying with all requirements stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.**

### **Procurement Gate 8**

a) Administer and monitor the contract.

b) Minimum Requirements for Gate 8:

1) Finance department to:

(i) Capture contract award data.

(ii) Manage cash flow projection.

2) Delivery department to:

(i) Ensure compliance with contractual requirements.

(ii) Administer contract in accordance with the terms and provisions of the contract.

**c) Gate 8 is complete when a delegated person captures the contract completion/termination data (close out reports and relevant documents), including payment certificates due.**

## **ANNEXURE A**

### **BERGRIVIER MUNICIPALITY**

#### **CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS**

The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

##### **1. General Principles**

The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust which implies a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuity from any person, or provider / contractor either for themselves, their family, their friends and business associates.

Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should, at no time, afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual, they should also not abuse the power and authority vested in them.

##### **2. Conflict of interest**

An official or other role player involved with supply chain management -

- (a)** must treat all providers and potential providers equitably and fairly;
- (b)** may not use his or her position for private gain or to improperly benefit another person;
- (c)** may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d)** must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e)** must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality;
- (f)** must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

- (g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- (h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- (i) should not take improper advantage of their previous office after leaving their official position.

### **3. Accountability**

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- 3.5 Practitioners must assist the accounting officer in combating fraud, corruption, favoritism and unfair and irregular practices in the supply chain management system.
- 3.6 Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including but not limited to -
  - (i) any alleged fraud, corruption, favoritism or unfair conduct;
  - (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
  - (iii) any alleged breach of this code of conduct.
- 3.7 Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

### **4. Openness**

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

### **5. Confidentiality**

- 5.1 Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid/contract/bidder/contractor may be revealed if such an action will infringe on the relevant bidder's/contractors personal rights.

**5.2** Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

## **6. Bid Specification / Evaluation / Adjudication Committees**

**6.1** Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

**6.2** Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

**6.3** All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

**6.4** No person should-

**6.4.1** interfere with the supply chain management system of the municipality; or

**6.4.2** Amend or tamper with any price quotation / bid after its submission.

## **7. Combative Practices**

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

**(i)** suggestions to fictitious lower quotations;

**(ii)** reference to non-existent competition;

**(iii)** exploiting errors in price quotations / bids;

**(iv)** soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

**SCHEDULE TO SMALL BUSINESSES ACT NO. 102 OF 1996**

Column 1	Column 2	Column 3	Column 4	Column 5
Sector or sub-sector in accordance with the Standard Industrial Classification	Size of class	The total full-time equivalent of paid employees	Total turnover	Total gross asset value (fixed property excluded)
Agriculture	Medium	100	R 5 m	R 5 m
	Small	50	R 3 m	R 3 m
	Very small	10	R 0.50 m	R 0.50 m
	Micro	5	R 0.20 m	R 0.10 m
Mining and Quarrying	Medium	200	R 39 m	R 23 m
	Small	50	R 10 m	R 6 m
	Very small	20	R 4 m	R 2 m
	Micro	5	R 0.20 m	R 0.10 m
Manufacturing	Medium	200	R 51 m	R 19 m
	Small	50	R 13 m	R 5 m
	Very small	20	R 5 m	R 2 m
	Micro	5	R 0.20 m	R 0.10 m
Electricity, Gas and Water	Medium	200	R 51 m	R 19 m
	Small	50	R 13 m	R 5 m
	Very small	20	R 5.10 m	R 1.90 m
	Micro	5	R 0.20 m	R 0.10 m
Construction	Medium	200	R 26 m	R 5 m
	Small	50	R 6 m	R 1 m
	Very small	20	R 3 m	R 0.50 m
	Micro	5	R 0.20 m	R 0.10 m
Retail and Motor Trade and Repair Services	Medium	200	R 39 m	R 6 m
	Small	50	R 19 m	R 3 m
	Very small	20	R 4 m	R 0.60 m
	Micro	5	R 0.20 m	R 0.10 m
Wholesale Trade, Commercial Agents and Allied Services	Medium	200	R 64 m	R 10 m
	Small	50	R 32 m	R 5 m
	Very small	20	R 6 m	R 0.60 m
	Micro	5	R 0.20 m	R 0.10 m
Catering, Accommodation and other Trade	Medium	200	R 13 m	R 3 m
	Small	50	R 6 m	R 1 m
	Very small	20	R 5.10 m	R 1.90 m
	Micro	5	R 0.20 m	R 0.10 m
Transport, Storage and Communications	Medium	200	R 26 m	R 6 m
	Small	50	R 13 m	R 3 m
	Very small	20	R 3 m	R 0.60 m
	Micro	5	R 0.20 m	R 0.10 m
Finance and Business Services	Medium	200	R 26 m	R 5 m
	Small	50	R 13 m	R 3 m
	Very small	20	R 3 m	R 0.50 m
	Micro	5	R 0.20 m	R 0.10 m
Community, Social and Personal Services	Medium	200		
	Small	50		
	Very small	20		
	Micro	5		

Examples of the documents to be used for the Infrastructure gates implementation.



## **BERGRIVIER MUNICIPALITY**

### **PG1: Permission to start the procurement process**

Gate 1.

#### **Proposed procurement**

**Project no:**                      **Project description:**

**Reference No:**                 **Title:**

Activity 1 of Table 3 of the National Treasury Standard for Infrastructure Procurement and Delivery Management states the following:

<b>Activity</b>		<b>Sub-Activity</b>	
1	Establish what is to be procured	1.1	Prepare broad scope of work for procurement
	(Applies only to goods and services not addressed in a procurement strategy developed in terms of 4.1)	1.2	Estimate financial value of proposed procurement
		1.3 PG1	Obtain permission to start with the procurement process

Permission is only required for procurements which are not included in an approved procurement strategy developed in accordance with the provisions of 4.1.4 (Stage 2: Strategic resourcing) of the National Treasury Standard for Infrastructure Procurement and Delivery Management

#### **Broad scope of work**

#### **The need and motivation for the procurement**

#### **Estimated financial value of procurement including VAT**

R

#### **Permission to start procurement process prepared by:**

Name:

Designation:

Tel:

Date:

email:

#### **Permission to procedure with the procurement process recommended by:**

*[name of person]*

*[Designation]*

**Signature:**

**Date:**

#### **Permission granted to procedure with the procurement process**

*[name of designated person – see SCM policy]*

*[Designation]*

**Signature:**

**Date:**



## A2: Approval to apply the procurement strategy

(GATE 2)

### Proposed procurement

**Project no:**                      **Project description:**

**Reference No:**                **Title:**

**Type of contract:** *(check appropriate box)*

- |   |   |
|---|---|
| <input type="checkbox"/> Professional service | <input type="checkbox"/> Engineering and construction works |
| <input type="checkbox"/> Service              | <input type="checkbox"/> Supply                             |

Subclause 14.2.1 of the National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) requires that goods or services or a combination thereof should generally be procured from the open market. Tenders may, however, be solicited from a confined market where:

- a) it is established with reasonable certainty that only a sole contractor is able to provide the goods or services or any combination thereof or only a very limited number of contractors are able to provide goods, services or works which are not freely available in the market, or which are provided solely for the organ of state in accordance with unique requirements;
- b) there is justification for standardising goods or making use of manufacturer-accredited service providers;
- c) a change in product or manufacturer requires modifications to related equipment and fixtures, e.g. a replacement pump requires costly changes to mountings, pipework or electrical connections or the replacement of circuit breakers requires costly changes to mounting frames, face panels, busbars, wiring and the like; or
- d) a replacement model requires the holding of additional spares or maintenance personnel.

Subclause 14.2.3 of the SIPDM requires that prior approval be obtained for the confined market procedure, unless such a procedure is already provided for in the approved procurement strategy, except where a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions (presence of, or the imminent risk of, an extreme or emergency situation arising from human injury or death, human suffering or deprivation of human rights, serious damage to property or financial loss, livestock or animal injury, suffering or death, serious environmental damage or degradation or interruption of essential services) and which can be dealt with, or the risks relating thereto arrested, within 48 hours.

### Broad scope of work

### Estimated financial value of procurement including VAT

R

### Confined market to be approached

*(tick one box)*

- The list of tenderers to be invited to submit tender offers is as follows:
  
- The basis for determining the list of tenderers to be invited to submit tender offers:



**Motivation**

**Recommended for approval by:**

*[name of person]*

*[Designation]*

**Signature:**

**Date:**

**Approval to use the confined market procedure:**

*[name of designated person – see SCM policy]*

*[Designation]*

**Signature:**

**Date:**



**BERGRIVIER MUNICIPALITY**

**PG3: Approval of the procurement document**

**Gate 3**

**Proposed contract**

**Project no:** \_\_\_\_\_ **Project description:** \_\_\_\_\_

**Tender No:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Brief description of work associated with the contract:**

**Framework contract:**  yes  no

**Estimated total of the prices for the proposed contract including VAT and price adjustment for inflation:**

(if a framework agreement – state not applicable)

**Time** (no of weeks from start of the contract to completion/ delivery / end of service):

**Procurement procedure:** (check appropriate box)

Negotiation  Confined market  Competitive selection  Competitive negotiation

**Type of procurement document** (check appropriate box):

expression of interest  tender  contract

Procurement Gate 3 of the control framework for infrastructure procurement contained in the National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) requires that approval of the procurement documents be obtained. The clauses in the SIPDM relating to this activity are as follows:

- 4.2.2.1** The approval of procurement documents at Procurement Gate 3 or Framework Agreement Gate 2 shall be based on the contents of a procurement documentation review report. Where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, such a report shall be prepared by one or more persons who participated in the review and who are registered as:
- a) a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act or a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
  - b) a professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or a professional quantity surveyor in terms of the Quantity Surveying Professions Act.
- 4.2.2.2** The review of procurement documents associated with the negotiation, competitive selection or competitive negotiation procedure shall confirm that:
- a) the procurement documents have been formatted and compiled in accordance with the requirements of SANS 10845-2, this standard and, where applicable, the CIDB Standard for Uniformity in Construction Procurement, and are aligned with the approved procurement strategy;
  - b) appropriate prompts for judgement are included in procurement documents in accordance with the requirements of SANS 10845-1 whenever quality is evaluated and scored in the evaluation of calls for expressions of interest or tender offers;
  - c) the selected form of contract in the case of a tender that is solicited is in accordance with the requirements of 14.5.3 and any standard templates required by the organ of state have been correctly applied;
  - d) the necessary approval has been obtained for additional clauses or variations to the standard clauses in the conditions of contract, conditions of tender or conditions for the calling for expressions of interest, as relevant, not provided for in the organ of state's approved templates;
  - e) the selected submission data in the case of a call for an expression of interest, or tender data and contract data options in the case of a tender, are likely to yield best value outcomes;
  - f) the scope of work adequately establishes what is required and the constraints to the manner in which the contract work is to be provided, and satisfies the drafting requirements of SANS 10845-1;
  - g) the submission or returnable documents are necessary and will enable submissions to be evaluated fairly and efficiently; and
  - h) the risk allocations in the contract and pricing data are appropriate.
- 4.2.2.3** The review conducted to confirm the provisions of 4.2.2.2 and 4.2.2.3 shall identify sections, if any, which require amendments or improvements.
- 4.2.2.4** The documentation review report shall:
- a) list the names and qualifications of the team members;

- b) confirm that the documents are in accordance with the requirements of this standard;
- c) capture any comments or opinions which the team may wish to express; and
- d) recommend that the procurement documents be accepted with or without modifications.

Clause 4.2.2.1 requires that the review report be prepared by one or more persons who are registered as a professional architect, professional senior architectural technologist, professional landscape architect, professional landscape technologist, professional engineer, professional engineering technologist or professional quantity surveyor where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure.

**Procurement documentation reviewers**

Name	Qualifications (professional registration and number, if applicable)

Attach copy of procurement documentation review report (see Annexure A)

**Members of the procurement documentation committee**

Name	Designation / qualifications

**Procurement document approved by:**

Chairperson of the Procurement Documentation Committee

Signature:

Date:



# Bergrivier local Municipality

## Confirmation of the budget

### Gate 4

#### Proposed contract

**Project no:** \_\_\_\_\_ **Project description:** \_\_\_\_\_

**Tender No:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Estimated total of the prices for the contract:** \_\_\_\_\_

**Brief description of work associated with the contract:** \_\_\_\_\_

**Time** (no of weeks from start of the contract to completion/ delivery / end of service): \_\_\_\_\_

**Estimated starting date:** \_\_\_\_\_

Procurement Gate 4 of the control framework for infrastructure procurement contained in the National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) requires confirmation that budgets are in place before proceeding with the tender process.

Infrastructure is delivered in terms of a multiyear budget. Budget provisions accordingly need to be considered in the first instance over the financial years that payment for the order needs to be made.

Expending budget on a contract frequently has an impact on a programme of projects. The appropriateness of the allocation of budget to the proposed contract in question in relation to the prioritisation and remaining budget for other projects within a programme also needs to be considered. Clause 6.1 of the SIPDM states the following:

6.1 The demand management system shall be aimed at ensuring that goods and services, and any combination thereof required to support strategic and operational commitments, are delivered at the right price, time and place, and that the quality and quantity of such goods or services satisfy needs.

Demand management considerations dictate that this confirmation is not simply a check to confirm that there is sufficient budget available for the work covered by the order. Value for money and impact on other projects in the issuing of the order may also need to be considered.

#### Risk provisions and price adjustment for inflation

Is the contract subject to price adjustment for inflation? (*check appropriate box*):

No       Yes      If yes, what is the estimated value, including VAT - R

What contingency amount should be made for risk events expressed as a percentage of the estimated value:  
%

NOTE A contingency amount is a provision for a future event or circumstance which is possible but cannot be predicted with certainty.

**Budgetary provision for the order**

<b>Component</b>	<b>Rand</b>	<b>Total</b>
Estimated total of the prices for the contract	R	
Estimated price adjustment for inflation	R	
Contingency provision	R	
<b>Subtotal</b>		
		<b>R</b>
Vat		R
<b>Total</b>		<b>R</b>

**Recommendation for confirmation of budget made by:**

*[name of person]*

*[Designation]*

**Signature:**

**Date:**

**Budget confirmed by:**

*[name of designated person – see SCM policy]*

*[Designation]*

**Signature:**

**Date:**



## BERGRIVIER MUNICIPALITY

### PG5: Authorisation to proceed to the next phase of the procurement process

(qualified, nominated, proposal or open / restricted competitive negotiations procedure only)

#### Gate 5

#### Proposed contract

**Project no:** \_\_\_\_\_ **Project description:** \_\_\_\_\_

**Tender No:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Framework contract:**  yes  no *(tick appropriate box)*

**Estimated total of the prices for the contract including VAT and price adjustment for inflation:**  
(if a framework agreement – state not applicable)

**Time** (no of weeks from start of contract to completion/ delivery / end of service): \_\_\_\_\_

**Brief description of work associated with the contract:**

**Authorisation required:** *(tick appropriate box)*

Procedure	Authorisation sought
<b>Competitive selection procedure</b>	
<input type="checkbox"/> nominated	admit to an electronic data base
<input type="checkbox"/> proposal using two envelope system	open financial proposals
<input type="checkbox"/> proposal procedure using a two stage system	proceed with the next round
<input type="checkbox"/> qualified	invite respondents to submit tender offers
<b>Competitive negotiation procedure</b>	
<input type="checkbox"/> restricted	invite respondents to submit tender offers
<input type="checkbox"/> restricted / open	Invite tenderers to make next round submissions/ best and final offers

**other** *(specify):* \_\_\_\_\_

Procurement Gate 5 of the control framework for infrastructure procurement contained in the National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) requires that authorisation is required to proceed to the next phase of the tender process where the qualified, proposal or competitive procurement procedure is pursued. Such authorisation is based on the acceptability of an evaluation report.

The clause in the SIPDM relating to this activity are as follows:

**4.2.4** The person authorised to enable a procurement process to progress to the next phase of the process shall review the evaluation report and either refer the report back to those responsible for such a report or authorise the procurement process to proceed to the next phase after:

- a) confirming that the report is complete and addresses all considerations necessary to make a decision;
- b) confirming the validity and reasonableness of reasons provided for the elimination of tenderers or respondents; and
- c) considering commercial risks and identifying any risks that have been overlooked which warrant investigation prior to taking a final decision.

<b>Attach duly completed evaluation report</b>		
The conditions or constraints contained in the evaluation report relating to the next stage are as follows:		
<b>Recommendation for approval to proceed to the next phase of the procurement process made by:</b>		
<i>[name of person]</i>		
<i>[Designation]</i>	<b>Signature:</b>	<b>Date:</b>
<b>Approval to proceed to the next phase of the procurement process</b>		
<i>[name of designated person – see SCM policy ]</i>		
<i>[Designation]</i>	<b>Signature:</b>	<b>Date:</b>



## PG6: Approval of tender evaluation committee recommendations

### GATE 6

#### Proposed contract

**Project no:** \_\_\_\_\_ **Project description:** \_\_\_\_\_

**Contract No:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Framework contract:**  yes  no (tick appropriate box)

**Estimated total of the prices for the contract including VAT and price adjustment for inflation:**  
(if a framework agreement – state not applicable)

**Time** (no of weeks from start of contract to completion/ delivery / end of service):

**Brief description of work associated with the contract:**

Procurement Gate 6 of the control framework for infrastructure procurement contained in the National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) requires that the tender evaluation recommendations be approved.

**Attach duly completed evaluation report(s) and if relevant, authorisations to proceed to the next phase**

**Recommendation for approval of tender evaluation recommendations made by:**

[name of person]

[Designation]

**Signature:**

**Date:**

#### Outcome of submission

- The recommendations of the tender evaluation report are approved.
- The recommendations of the tender evaluation report are approved are confirmed subject to the following being effected:
- The tender evaluation report is hereby returned to the evaluation committee for the following reasons:

**Name:**

**Signature:**

**Date:**

**Chairperson of the Tender Committee**



The members of the Tender Committee participating in this decision were as follows:

Name	Designation

## **BERGRIVIER LOCAL MUNICIPALITY**

### **PG7: Acceptance of a tender offer**

Gate 7

#### **Proposed contract**

**Project no:**                      **Project description:**

**Contract No:**                      **Title:**

**Name of contractor:**

**Time** (no of weeks from start of contract to completion/ delivery / end of service):

**Framework contract:**  yes                       no                      *(tick appropriate box)*

**Estimated total of the prices for the contract including VAT and price adjustment for inflation:**  
(if a framework agreement – state not applicable)

**Time** (no of weeks from start of contract to completion/ delivery / end of service):

**Brief description of work associated with the contract:**

Procurement Gate 7 of the control framework for infrastructure procurement contained in the National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) requires that the tender offer be accepted.

The clause in the SIPDM relating to this activity are as follows:

**14.5.1.2** The Form of Offer and Acceptance contained in Annex B of SANS 10845-2 shall be used, with minimal contract-specific amendments, to form the basis of agreement arising from the solicitation of tender offers

Clause 4.4.1.1 of SANS 10845-1 states that "A tenderer's covering letter shall not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid, become the subject of agreements reached during the process of offer and acceptance, the outcome of such agreement shall be recorded in the schedule of deviations."

**Attach a duly completed copy of Gate6: Approval of tender evaluation recommendations together the evaluation report(s)**

**Attached the proposed contract**

**Recommendation for the acceptance of the tender offer:**

*[name of person]*

*[Designation]*

**Signature:**

**Date:**

**Acceptance of tender offer made by:**

*[name of designated person – see SCM policy ]*

*[Designation]*

**Signature:**

**Date:**

*(sign the acceptance portion of the forms of offer and acceptance and initial the pages to the contract)*



**BERGRIVIER LOCAL MUNICIPALITY**

**PG8A: Approval for waiving of penalties / damages**

**GATE 8**

**Project no:** \_\_\_\_\_ **Project description:** \_\_\_\_\_

**Contract No:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Name of Contractor:** \_\_\_\_\_

**Framework contract:**  **yes**  **no** (check appropriate box(es))

If yes, **Order no:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Estimated final total of the prices for the contract including VAT and price adjustment for inflation:** \_\_\_\_\_

**Time** (no of weeks from start of contract to completion/ delivery / end of service): \_\_\_\_\_

**Contract type and option:**  
(check appropriate box) and insert main Option e.g. F)

CIDB	<input type="checkbox"/> Standard professional service contract <input type="checkbox"/> General conditions of service	<input type="checkbox"/> Contract for the supply and delivery of goods <input type="checkbox"/> General conditions of purchase
FIDIC	<input type="checkbox"/> Green Book <input type="checkbox"/> Red Book <input type="checkbox"/> Yellow Book	<input type="checkbox"/> Silver Book <input type="checkbox"/> Gold Book
JBCC	<input type="checkbox"/> Principal Building Agreement	<input type="checkbox"/> Minor works agreement
NEC3	<input type="checkbox"/> NEC3 ECC main Option: <input type="checkbox"/> NEC3 ECSC <input type="checkbox"/> NEC3 TSC main Option: <input type="checkbox"/> NEC3 TSSC	<input type="checkbox"/> NEC3 SC <input type="checkbox"/> NEC3 SSC <input type="checkbox"/> NEC3 PSC main Option: <input type="checkbox"/> NEC3 PSSC
SAICE	<input type="checkbox"/> GCC	

NOTE See Table 10 of the National Treasury Standard for infrastructure Procurement and Delivery Management for full titles of standard contracts

Procurement Gate 8A of the control framework for infrastructure procurement contained in the National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) requires prior approval for the waiving of penalties and / or low performance damages from the person authorised to do so in terms of the employer's SCM policy.

Clause 8.1a) of the SIPDM requires that the person responsible for the administration of the contract or an order on behalf of the employer acts as stated in the contract that is entered into, subject to any constraints that may be imposed by the employer or the employer's supply chain management policy for infrastructure procurement and delivery management. Prior approval is required before any penalties / damages are waived.

NOTE: Penalties (any sum of money for the payment of which or anything for the delivery or performance of which a person may so become liable) are governed by the Conventional Penalties Act of 1962 (Act 15 of 1962). This Act permits a court to reduce the penalty if the penalty is out of proportion to the prejudice suffered to the extent that the court considers equitable in the circumstances.

**Brief description of work associated with the contract:**

**Approval sought for:** (check appropriate box)

waiving of delay damages / penalty for delay  
specify particulars and quantum of such damages / penalties

waiving of low performance damages  
specify particulars and quantum of such damages

waiving of other penalties / damages

describe and specify particulars and quantum of such damages

**Motivation to waive penalties / damages**

**Recommendation for the approval for waiving of penalties / damages made by:**

*[name of person]*

*[Designation]*

**Signature:**

**Date:**

**Approval for waiving of penalties / damages made by:**

*[name of designated person – see SCM policy]*

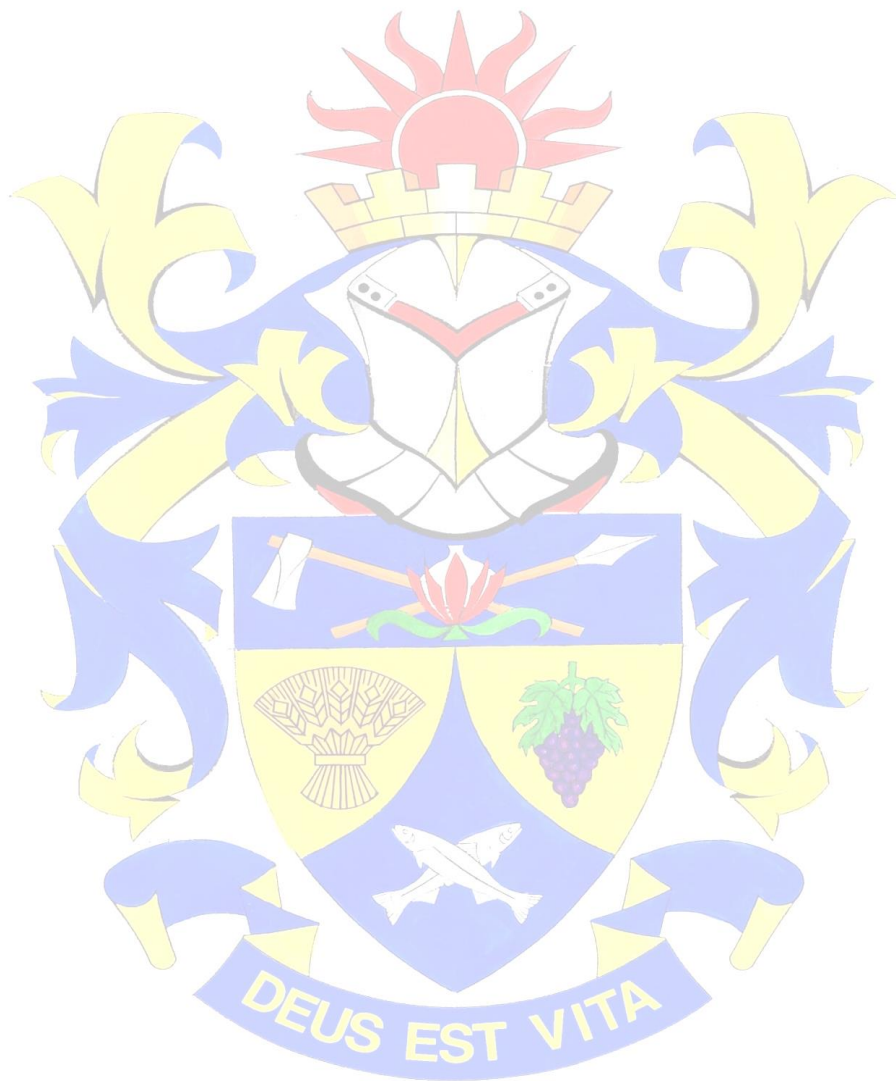
*[Designation]*

**Signature:**

**Date:**

# BERGRIVIER

Munisipaliteit / Municipality



## **BORROWING POLICY**

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**Bergrivier Municipality  
Borrowing Policy**

**1. INTRODUCTION**

In terms of Chapter 6 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), (The "Act") the municipality may incur long- and short-term debt, subject to certain conditions.

The municipality sometimes need additional bridging funding for over short-term periods and to finance long-term projects (capital projects).

This Debt Policy provides for the municipality to obtain short- and long-term debt and set out all conditions under which the municipality will be entitled to obtain such debt.

All employees of the municipality should adhere to this policy.

**2. POLICY FRAMEWORK**

This policy addresses all relevant principles and processes to be followed when obtaining short- and long-term debt, to ensure sufficient management of debt. The policy includes the following:

- Objectives of the policy
- Due diligence
- Delegations
- Management and internal control procedures
- Debt Management
- Types of Debt
- Securities for Debt
- Approval procedures
- Cost of Debt
- Competitive selection of bids
- Types of Debt and financing sources
- Commission and discounts
- Forbidden activities
- Reporting and monitoring of requirements
- Review of the policy

**3. OBJECTIVES**

The objectives of this policy are to ensure optimal performance with the lowest possible risk through managing the debt, and to ensure accountability, responsibility and transparency throughout the process.

#### **4. DUE DELIGENCE**

Each official involved in the process of debt must do so with such judgments and care, under prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in managing his or her own affairs and with his or her primary goal to protect the municipality's cash resources, the municipality's interests with its funders, and in general the municipality's good name.

Speculation may not be undertaken in any of the processes.

#### **5. DELEGATIONS**

The management of all cash resources of the municipality is the responsibility of the Municipal Manager. The Municipal manager will be responsible for:

- the proper implimentation of this policy;
- developing of a relevant system for delegation which will ensure administrative as well as operational effictiveness; and
- appropriate controles on balancing of the managment of cash resources

The Chief Financial Officer, as designated in writing by the Municipal Manager, should advise the Municipal Manager on the exercise of powers and duties with regard to this policy, and assist the Municipal Manager in the administration of the cash resources, bank accounts and debt account.

The Municipal Manager may not delegate any powers or duties in the administration of the municipality's cash resources to any political structure or councilor and no council member is allowed to interfere or attempt to interfere in the management of the municipality's cash resources.

Any delegation by the Municipal Manager in terms of this policy:

- Must be in writing.
- Is subject to any restrictions and conditions as the Municipal Manager shall prescribe.
- May be either to a specific individual or to the holder of a specific position in the municipality and may not be a committee of officials.
- Can not deprive the Municipal Manager of the responsibility concerning the exercise of delegated powers or the performance of the delegated duty.



**Bergrivier Municipality  
Borrowing Policy**

The municipal manager may question any decision taken as a result of a delegation or sub-delegation in terms of this policy to confirm, amend or repeal, but no such amendment or repeal of an act may be done to break down any rights that would arise as a result of the decision.

For the implementation of this policy, any reference to "Municipal Manager" also means "any other person acting under a delegated power or function as exercising delegated by the Municipal Manager in terms of paragraph 5.

## **6. MANGEMENT AND INTERNAL CONTROL PROCEDURES**

The Municipal Manager, assisted by the Chief Financial Officer must take all reasonable steps to ensure:

- That the municipality have a managerial-, accounting- and information system to maintain all debt-, accounts-, receipting-, withdrawals- and debt transactions.
- That, in the case of debt, amounts due been calculated on a monthly basis.
- That the municipality have a system of internal controls over bank- and debt accounts, receipting-, withdrawal- and debt transactions.

The Internal Audit department should advise the municipal manager and evaluate and report on compliance with the above, at least on an annual basis.

## **7. DEBT**

### **7.1. Debt Management**

The Municipal Manager is responsible for the administration of all debt procedures and must take all reasonable steps to ensure that debts are managed in compliance with all audit requirements and any legal requirements included as prescribed in the Municipal Finance Management Act, 2003 and in particular Chapter 6 of the Act.

The Municipal Manager may delegate the duties, linked to investments, as per paragraph 5 of this policy.

**Bergrivier Municipality  
Borrowing Policy**

7.2. Debt Ethics

All officials involved in the debt management process must act with fidelity, honesty, integrity and in the best interest of the municipality and must strive, within the sphere of influence of the officials, to prevent any impairment of the debt of the municipality and other municipalities' good name and solvency problems.

No officials involved in the debt management process should use his or her position or privileges as, or confidential information obtained officials in the process for personal gain or unfair advantage to another person.

The Municipal Manager must report as soon as practicable to the Mayor as well as the National Treasury any alleged violation of the above and may also make recommendations whether the alleged offending party must be listed on the National Treasury's database of persons prohibited from doing any business with the public sector. Any such report by the Municipal Manager must complete details of the alleged violation and a written response from the alleged offending party, as proof that the alleged offending party did receive the allegations in writing and had at least 7 (seven) working days to respond to the allegations.

Any sponsor, offered or granted to the municipality must be immediately reported to the National Treasury.

7.3. Types of Debt

7.3.1. Short-term Debt

To ensure that the municipality has sufficient cash to meet the objectives of local government, as contained in Article 152 of the Constitution of the Republic of South Africa (Act 108 of 1996), it is sometimes necessary to obtain short-term financing in order to finance cash shortages in a financial year to cover the bridging operation and / or temporary capital financing.

Short-term debts may only be incurred if the Council is convinced that it will be refunded during the financial year and a report to the Council should indicate how and when it will be repaid, with specific reference to the conditions set in Article 45 of the Act on Local

**Bergrivier Municipality  
Borrowing Policy**

Government: Municipal Finance Management Act (Act No. 56 of 2003).

No debt agreement for short-term debts may be incurred for a period that expires after the end of the financial year in which they are incurred. The Municipal Manager must, as part of the budgeting, determine in time whether the Council will need short term debt for the new financial year ahead and take such steps to ensure that the Council could consider a debt agreement before the date on which the Council will require such financing.

By considering the cash flow of the municipality it must be provided for emergency situations that additional cash may be needed and should be kept in mind to determine whether the Council should enter into short-term debts.

Nothing prevents the Municipal Manager to, if it appears that during the financial year a cash shortage arises, obtain approval from the Council for the introduction of short-term debts. However if it will not be repaid in the same financial year as a result of under-performance in terms of credit control or over expenditure, the Council will not be able to approve such agreement.

The conditions set out in Chapter 6 of the Act on Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) must at all times be complied with by the Municipal Manager.

**7.3.2. Long-term Debt - Capital Asset**

The Council has an obligation to acquire assets and to maintain it in order to ensure service delivery, however it is not always possible for the Council to finance these assets from its own cash reserves. It is for this purpose that the Council may incur long-term debt.

No capital projects may be entered into before the financing sources have been considered, approved and are available. For the purposes of this, “available” means a legally enforceable document in the municipality's possession that

**Bergrivier Municipality  
Borrowing Policy**

guarantees the funding. Short-term bridging finance for capital expenditure may be incurred in anticipation of the disbursement of the long-term debt, provided that the long-term financing is "available" and the conditions for engaging in short-term debts, as per par.7.3.1. above, are met.

The cost of long-term assets which may be incurred include the cost of securities, finance costs, advertising, legal, advisory, trustee, credit ratings and other costs of finance, professional services, where it directly applicable to the project and other amounts that the Minister of Finance may approve.

The terms of repayment of any debt must be calculated according to the expected useful life of the assets financed with the debt.

No long-term debt may be incurred if it is not compatible with the municipality's capital budget, excluded for refinancing.

**7.3.3. Long-term Debt – Refinancing**

The municipality is, in terms of Section 46 (5) of the Act on Local Government: Municipal Finance Management Act, 2003, allowed refinancing of long-term debt with the aim to save on the cost of debt. The Municipal Manager may, for this purpose, at least annually and as part of the budget process evaluate and report to the Council about the cost of existing debt, or if the refinancing is a benefit to the municipality. As part of the evaluation, the Municipal Manager should consider if a once-off payment at the end of the loan period would not be more favorable to the municipality if the repayments are invested in an investment fund with reasonable projected return on such investment.

Refinancing may only be for long-term debt which has been incurred lawfully in the past and with the further condition that the loan period does not exceed the expected lifespan of the assets financed thereby.

**7.4. Security for Debt**

It is common practice that investors or financiers required security for granting loans. The municipality will provide security for the inclusion of debt, as set out in section 48 of the Act on Local Government: Municipal

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Finance Management Act, 2003, but the Council will consider each form of security, together with the debt agreement.

7.5. Procedures for debt approval and securities

The procedures for approval of debt and debt security as defined in Chapter 6 of the Act on Local Government: Municipal Finance Management Act, 2003, as amended from time to time. For completeness of this policy is shown below:

7.5.1. Short-term Debt

“45 (2) A municipality may incur short-term debt only if –

- (a) a resolution of the municipal council, signed by the mayor, has approved the debt agreement; and
- (b) The accounting officer has signed the agreement or other document which creates or acknowledges the debt.”

7.5.2. Long-term Debt

“46 (2) A municipality may incur long-term debt only if –

- (a) A resolution of the municipal council, signed by the mayor, has approved the debt agreement; and
  - (b) The accounting officer has signed the agreement or other document which creates or acknowledges the debt.
- (3) A municipality may incur long-term debt only if the accounting officer of the municipality -
- (a) has, in accordance with section 21A of the Municipal System Act-
    - (i) at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount for the proposed debt, the purposes for which the debt is

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to be incurred and particulars of any security to be provided; and

- (ii) invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and
- (b) Has submitted a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council, together with particulars of-
- (i) The essential repayment terms, including the anticipated debt repayment schedule; and
  - (ii) The anticipated total cost in connection with such debt over the repayment period.”

**7.5.3. Security**

“48 (3) A council resolution authorising the provision of security in terms of subsection (2) (a) –

- (a) must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and
  - (b) if so, must indicate the manner in which the availability of the asset or right for the provision of that minimum level of basic municipal services will be protected.
- (4) If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a default by the municipality, deal with the asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

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- (5) A determination in terms of subsection (3) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.”

**7.6. Cost of Debt**

The municipality must guard that the cost of long-term debt do not rise to such a level that it have a remarkable negative effect on taxes or other municipal charges such as maintenance. The maximum percentage of the operating budget for the repayment of debt must be calculated in the municipality's long-term budget with thorough consideration of the needs identified in the Integrated Development Plan, the cost of new or replacement of existing infrastructure and equipment and other administrative needs.

**7.7. Competitive Bidding**

The Municipal Manager should adhere to the process as per Supply Chain policy when considering the biddings received. For purposes of marking in terms of costs, the expected interest debt over the full term of the proposed debt agreement must be calculated and used as the basis for the 80/20 and 90/10 allocations.

**7.8. Types of Debt and Financing sources**

The types of debt that may be incurred and the debt financing of which may be incurred are as follows:

**7.8.1. Types of Short-term Debt**

- Bank overdraft
- Short Term Loans
- Marketable Bonds
- Non-Marketable Bonds
- Other Securities

**7.8.2. Types of Long-term Debt**

- Long-Term Loans
- Installment Credits

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- Finance Leasing
- Marketable Bonds
- Non-Marketable Bonds
- Other Securities

7.8.3. Financing Sources

- Public
- Banks
- Development Bank of South Africa
- Infrastructure Finance Corporation
- Public Investment Commissioners
- Insurance Companies
- Municipal Pension Funds
- Other Public Pension Funds
- Bond Trusts
- Internal Funds
- Other Sources

7.9. Commission or Cost

No Commission is payable to an officer, councilor or board member, or spouse to, business partner or immediate relative of an officer, councilor or board member by an institution, investors or financiers, for any reference made by them.

Any commission, fee or other compensation paid to any person by an institution must be certified to the municipality by the institution through a certificate. Any quotation / tender to the municipality given by an institution must be net of fees, commissions or rewards, but also need to include commission, rewards or costs, that will be paid in respect of the debt.

7.10. Performance

The Municipal Manager must annually measure and report to the Council on the performance of its debt in terms of the stipulated objectives of this policy.

7.11. Forbidden activities

- No debt may be made otherwise than in the name of the municipality.
- Money cannot be borrowed for the purpose of investments.



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- No person, including officers, councilors and board members, may interfere or attempt to interfere in the management of the municipality's debt by the Municipal Manager or anybody delegated by the Municipal Manager;
- No debt may be made in any other currency than the South African Rand, and that is not linked, or is affected by any change in the value of the Rand against any foreign currency.
- No debt shall be made for expenses not related to the functions and powers of the municipality.

**7.12. Reporting**

The Municipal Manager may request at any time a report setting out the detail of each debt portfolio

The above report must be in the format provided by National Treasury for reporting and monitoring of debt.

**8. Review of the Policy**

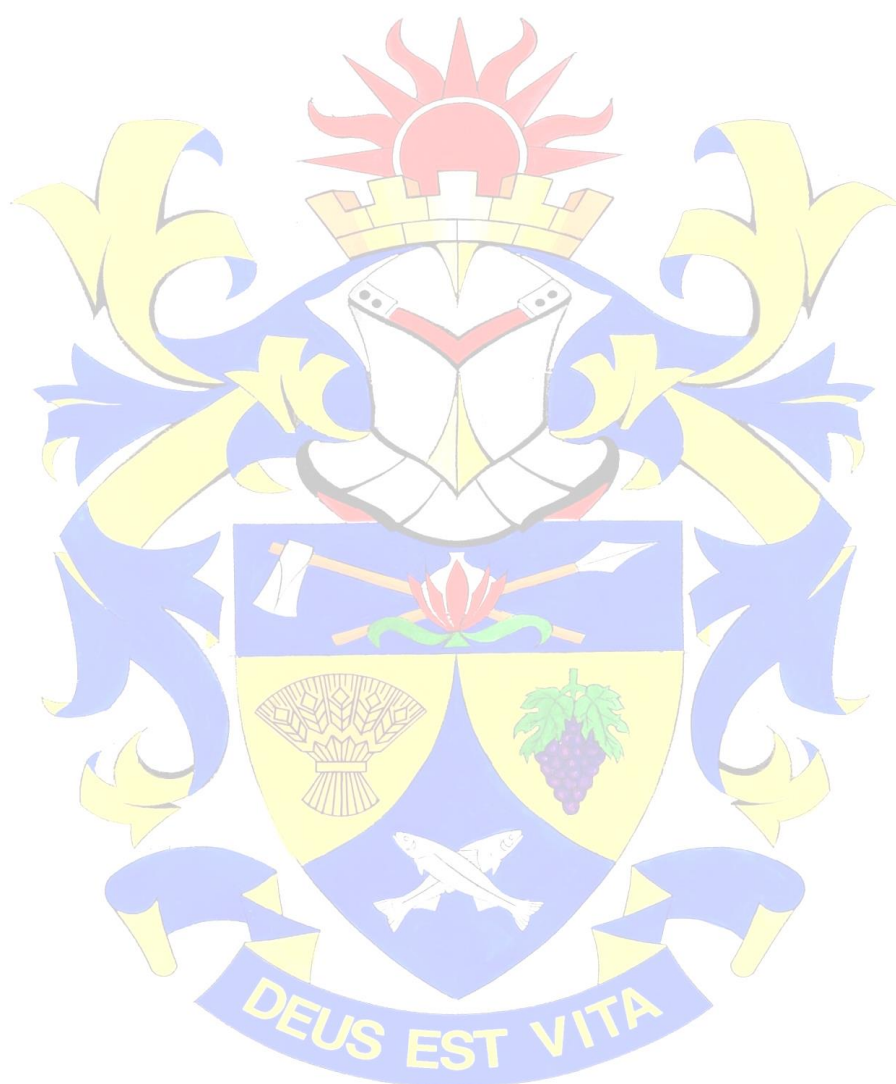
This Debt Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of the policy must be approved by the Municipal Council.

All proposed changes to this policy should be tabled by the Mayor as part of the annual review of policies and budget documentation.

Whenever the Minister of Finance or the National Treasury or the Auditor – General requests changes to the policy by way of legislation, changes to GRAP or otherwise, it must be reviewed and submitted for consideration by the Council. Such submission must be accompanied with a full description of the reasons for the change to the policy.

# BERGRIVIER

Munisipaliteit / Municipality



## **FUNDING, RESERVES AND LONG-TERM FINANCIAL PLANNING POLICY**

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**Version:** First Draft

**Date:** 14 March 2014

**Summary:** This document describes the Funding and Reserves Policy that will be applicable to the municipality, detailed.

**Approved:** This policy was approved by the Municipal Council on 27 May 2014

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Municipal Manager**

# **FUNDING, RESERVES AND LONG-TERM FINANCIAL PLANNING POLICY**

## **1. INTRODUCTION AND OBJECTIVE**

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

## **2. SECTION A: FUNDING POLICY**

### **2.1 LEGISLATIVE REQUIREMENTS**

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes. and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are therefore clear in that the budget must be cash – funded i.e. cash receipts inclusive of prior cash surpluses must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, tools and benchmarks, including those specified or developed by the National- and Provincial Treasuries, from time to time.

### **2.2 STANDARD OF CARE**

Each functionary in the budgeting and accounting process must do so with judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise to the management of his or her own finances with the primary objective of ensuring that the objectives of this policy are achieved.

## **2.3 STATEMENT OF INTENT**

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance, provided that the requirements of the MFMA must at all times be adhered to.

## **2.4 CASH MANAGEMENT**

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

## **2.5 DEBT MANAGEMENT**

Debt must be managed in terms of the municipality's Debt Management Policy, together with any requirements in this policy.

## **2.6 FUNDING THE OPERATING BUDGET**

### **2.6.1 INTRODUCTION**

The municipality's objective is that the user of municipal resources must pay for such usage in the period it occurs.

The municipality however, recognises the plight of the poor, and in line with national and provincial objectives, the municipality commits itself to subsidised services to the poor. This may necessitate cross subsidisation in tariffs to be calculated in the budget process.

### **2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET**

The following specific principles apply when compiling the budget:

- a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
- c) Tariff adjustments must be fair, taking into consideration general inflation indicators and guidance from National Treasury;
- d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven

provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded from the calculation as it must be included in changes in Cash and Cash Equivalents and Payables.

Furthermore, in the budget the total grants recognised as revenue must equal the total expected expenditure from grants, inclusive of capital expenditure and VAT as per directive given in MFMA circular 48.

- e) Projected revenue from services charges must be reflected as net (all billing less revenue foregone, which is free basic services, discounts and rebates).
- f) Projected revenue from property rates must include all rates to be levied, but rebates and discounts must be budgeted for as revenue foregone as per directive in MFMA Budget Circular 51, depending on the conditions of the exemption, rebate or reduction.

For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.

- g) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortised discount must be included in the Operating Budget but excluded in the cash flow budget.
- h) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the cash capabilities of the municipality, and it is therefore determined that provision for the short term portion of employee benefits, be included in the operating budget, in order to build sufficient cash for the requirements.
- i) Depreciation must be fully budgeted for in the operating budget.

In order to ensure a sufficient accumulation of cash for the replacement of Property, Plant and Equipment and Intangible Assets, the amount of depreciation on assets funded from own sources, excluding assets funded from grants, public contributions and external loans must be reflected as a surplus on the cash flow budget.

- j) Contributions to provisions (non-current and current) do not form part of the cash flow. It is however, necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

It is therefore a requirement that the contribution to current provisions is budgeted as cash surpluses until the necessary funding level is obtained.

## **2.7 FUNDING THE CAPITAL BUDGET**

### **2.7.1 INTRODUCTION**

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

### **2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE**

The capital budget can be funded by way of own contributions, grants, public contributions as well as external loans.

#### **Own Contributions**

The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve.

The Capital Replacement Reserve should be at least equal to the expected capital expenditure financed from the Capital Replacement Reserve in the following year.

#### **Grants (Including Public Contributions)**

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that unusual grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

It is therefore determined that the accounting officer must evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

It is furthermore determined that the depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer must put such accounting measures, including the use of the Equitable Share, in place to comply with this requirement, to a reasonable extent.



### **External Loans**

The municipality may only raise loans in accordance with its Debt Management Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans are utilised for operating purposes.

For budgeting purposes any difference between proposed capital spending from loans and proposed loans raised must be included in the cash surplus for the year but excluded from the calculation whether the budget is credible.

## **2.8 FUNDING COMPLIANCE MEASUREMENT**

### **2.8.1 INTRODUCTION**

The municipality wants to ensure that the budget or adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by the National- and Provincial Treasuries as well as reconciliations according to this policy. Any additional indicators recommended by the said Treasuries in future must also be taken into account, as well as any additional reconciliation items as either determined by the Council or the Accounting Officer.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless any negative indicators can be reasonably explained and future budget projections address the turn-around of these indicators to within acceptable levels.

### **2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**

A positive Cash and Cash Equivalents position throughout the year is crucial. In addition, the forecasted cash position at year-end must at least be the amount as calculated in the Reconciliation of Cash Requirements as determined by this policy and attached to this policy as Appendix "A".

### **2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS**

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants;
- unspent conditional public contributions;

- unspent borrowings;
- vat due to SARS;
- secured investments;
- the cash portion of statutory funds such as the Housing Development Fund;
- other working capital requirements; and
- In addition, it must be sufficient to back reserves as approved by the municipality and the portions of provisions as indicated elsewhere in this policy.

#### **2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS (“CASH COVERAGE”)**

This indicator shows the level of risk should the municipality experience financial stress.

#### **2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS**

It is almost certain that the operating budget, which includes depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that the users of the assets funded from grants, public contributions and revaluations must be burdened with tariff increases to provide for such depreciation charges. In order to ensure a “balanced” budget but excluding such depreciation charges, the depreciation charges may be offset against the net surplus / deficit.

Should the budget result in a deficit after the offsetting, the budget will be deemed unfunded and must be revised.

#### **2.8.6 PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET**

The intention of this indicator is to ensure that tariff increases are in line with macro economic targets, but also to ensure that revenue increases for the expected growth in the geographic area is realistically calculated.

The formula to be used is as follows:

	<b>DESCRIPTION</b>	<b>PROPERTY RATES</b>	<b>SERVICE CHARGES</b>	<b>TOTAL</b>
A	Revenue of budget year	R XX	R XX	R XX
B	Less: Revenue of prior year	R XX	R XX	R XX
<b>C</b>	<b>=Revenue increase/decrease</b>	<b>R XX</b>	<b>R XX</b>	<b>R XX</b>
D	% Increase/(Decrease)	C/B %	C/B %	C/B %
E	Less: Upper limit of macro Inflation target	%	%	%
<b>F</b>	<b>=Growth in excess of inflation target</b>	<b>%</b>	<b>%</b>	<b>%</b>
G	Less: Expected growth %	%	%	%
<b>H</b>	<b>=Increase attributed to tariff Increase above macro inflation target</b>	<b>%</b>	<b>%</b>	<b>%</b>

In the event that the percentage in (h) above is greater than zero, a proper motivation must accompany the budget at submission, or the budget must be revised.

### **2.8.7 CASH COLLECTION % RATE**

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

It is not permissible to project a collection rate higher than the rate currently being obtained, even if the municipality recently approved a debt collection policy or implemented additional debt collection measures. Any improvement in collection rates during the budget year may be appropriated in an Adjustment Budget.

### **2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE**

This indicator provides information whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as

past performance might have an influence on it. Any difference, however, must be motivated in the budget report.

#### **2.8.9 CAPITAL PAYMENTS AS A PERCENTAGE OF CAPITAL EXPENDITURE**

This indicator provides information as to the timing for payments on capital projects and utilising allowed payment terms.

#### **2.8.10 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)**

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Debt Management Policy.

#### **2.8.11 GRANTS REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE**

The percentage should never be less than 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

#### **2.8.12 CONSUMER DEBTORS CHANGE (CURRENT AND NON - CURRENT)**

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

An unacceptable high increase in either current- or non- current debtors' balances should be investigated and acted upon.

#### **2.8.13 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL**

It is of utmost importance that the municipality's Property Plant and Equipment and Investment Properties be maintained properly, in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

As a general benchmark the maintenance budget should be between 4% and 8% of the carrying value of assets.

#### **2.8.14 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL**

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision. As a general benchmark, and in line with National Treasury directives, should not be least than 40% of the capital budget must be allocated to the renewal of existing assets.

#### **2.8.15 FINANCIAL PERFORMANCE BUDGET**

Although it is not a legal requirement that the financial performance budget should balance, it only makes management sense that it should balance.

A number of line-items influence the net result of the financial performance budget. It includes capital grant revenue, depreciation charges including those where assets were funded from grants and public contributions, unamortised discounts and gains/losses on the disposal of Property Plant and Equipment. These items need to be taken into consideration in order to establish if the operating budget is realistic and credible.

#### **2.8.16 FINANCIAL POSITION BUDGET**

This indicator provides an overall view of the projected financial position over the periods of the Medium Term Expenditure framework, including movements in inventory and payables.

#### **2.8.17 CASH FLOW BUDGET**

A positive cash flow is a good indicator of a balanced budget, as well as the ability of the municipality to meet its future commitments.

The cash flow budget, however, does not include those items such as contributions to the provisions described elsewhere in this policy, the effect of depreciation charges etc, and care must be taken not to let a projected positive cash inflow lead to additional expenditure requests, without taking the requirements of those items into consideration.

### **3. SECTION B: RESERVES POLICY**

#### **3.1 INTRODUCTION**

Fund accounting historically formed a huge part of municipal finance in the IMFO standards.

Since the municipality changed to General Recognised Accounting Practices (GRAP), fund accounting is no more allowed.

The municipality, however, recognises the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy aims to provide for such measure of protection by creating certain reserves.

#### **3.2 LEGAL REQUIREMENTS**

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund. The National Treasury, in Circular 70 of 2014, recommends that a cash funded reserve be created for non-current provisions. The GRAP Standards itself also do not provide for reserves.

However, the GRAP “Framework for the Preparation and Presentation of Financial Statements” states in paragraph 91 that such reserves may be created, but “Fund Accounting” is not allowed and any such reserves must be a “legal” reserve, i.e. created by law or Council Resolution. The accounting for reserves is specified in GRAP 1 (Presentation of Financial Statements).

#### **3.3 TYPES OF RESERVES**

Reserves can be classified into two main categories being “cash funded reserves” and “non – cash funded reserves”.

##### **3.3.1 CASH FUNDED RESERVES**

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

###### **(a) Capital Replacement Reserve (CRR)**

The CRR is to be utilised for future capital expenditure from own funds and may not be used for maintenance– or other operating expenditure.

The CRR must be cash-backed and the Accounting Officer is hereby delegated to determine the contribution to the CRR during the compilation of the annual financial statements.

**(b) Other statutory reserves**

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

**3.3.2 NON – CASH FUNDED RESERVES**

It might be necessary to create non – cash funded reserves for a variety of reasons, including GRAP requirements. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required.

The Accounting Officer is hereby delegated and may also in the discretion of the Accounting Officer, create reserves for future depreciation offsetting, in the absence of a standard similar to IAS 20.

**3.4 ACCOUNTING FOR RESERVES**

**3.4.1 REVALUATION RESERVE**

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

**3.4.2 OTHER RESERVES**

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

It is a condition of GRAP and this policy that no transactions may be directly appropriated against these reserves.

## **4. SECTION C: LONG-TERM FINANCIAL PLANNING**

### **4.1 LEGISLATIVE REQUIREMENTS**

Paragraph 7(1) of the Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations requires municipalities to have a policy related to long-term financial planning

### **4.2 PREPARATION AND REVIEW**

Bergrivier Municipality decided to prepare their first Long-term Financial Plan, for a 10 year period, before 31 December 2014.

The Long-term Financial Plan should be reviewed annually during the annual budget process.

### **4.3 ELEMENTS OF LONG-TERM FINANCIAL PLAN**

The Long-term Financial Plan should consist of at least the following items:

- (a) Financial assessment of the municipality's demographic, economic, household infrastructure and financial perspectives;
- (b) Future Municipal Revenues
- (c) Future Operational Expenditure
- (d) Demand for Future Capital Expenditure
- (e) Affordability of Future Capital Expenditure
- (f) Funding of Future Capital Expenditure
- (g) Liquidity and Ratio Management

### **4.4 LIQUIDITY AND RATIO MANANGEMENT**

Healthy Liquidity is considered the key factor to effective managing the financial viability of a municipality in the longer term in conjunction with the necessary financial ratios against which to monitor actual performance.

The norm for each ratio is attached to this policy as Annexure B



## **5. SECTION D: REVIEW OF THE POLICY**

This Funding and Reserves Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of the policy must be approved by the Municipal Council.

Whenever the Minister of Finance or the National Treasury or the Auditor – General requests changes to the policy by way of legislation, changes to GRAP or otherwise, it must be reviewed and submitted for consideration by the Council on an annual basis. Such submission must be accompanied with a full description of the reasons for the change to the policy.

**APPENDIX A****RECONCILIATION OF CASH REQUIREMENTS**

Cash flow from operating activities	R XX
Add : Depreciation from own funds	R XX
Add : Contribution to current provisions	R XX
Add : Unspent conditional grants	R XX
Add : Unspent public contributions	R XX
Add : Unspent borrowings	R XX
Add : VAT due to SARS	R XX
Add : Secured investments	R XX
Add : Cash portion of Statutory Reserves	R XX
Add : Working Capital Requirements	R XX
= Minimum Cash Surplus Requirements for the year	<u>R XX</u>

## APPENDIX B

### 1. FINANCIAL POSITION

#### A. Asset Management

RATIO		FORMULA	DATA SOURCE	NORM/ RANGE
1	Capital Expenditure to Total Expenditure	$\text{Total Capital Expenditure} / \text{Total Expenditure (Total Operating expenditure} + \text{Capital expenditure)} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	$\text{Property, Plant and Equipment} + \text{Investment Property} + \text{Intangible Assets Impairment} / (\text{Total Property, Plant and Equipment} + \text{Investment Property} + \text{Intangible Assets}) \times 100$	Statement of Financial Position, Notes to the AFS and AR	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	$\text{Total Repairs and Maintenance Expenditure} / \text{Property, Plant and Equipment and Investment Property (Carrying value)} \times 100$	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	4% - 8%

## B. Debtors Management

1	Collection Rate	$\frac{\text{(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)}}{\text{Billed Revenue}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	93%
2	Bad Debts Written-off as % of Provision for Bad Debt	$\frac{\text{Bad Debts Written-off}}{\text{Provision for Bad debts}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%
3	Net Debtors Days	$\frac{\text{((Gross Debtors - Bad debt Provision))}}{\text{Actual Billed Revenue}} \times 365$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days

### C. Debtors Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.1 - 2:1

### D. Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Noncurrent Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%

## E. Sustainability

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	$\frac{\text{(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants)}}{\text{(Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)}} \times 100$	Statement Financial Position, Budget and AR	100%
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## 2. FINANCIAL POSITION

### A. Efficiency

1	Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue}$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%
2	Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%
3	Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
4	Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
5	Net Surplus /Deficit Sanitation and Waste Water	$\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water}$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-	= or > 0%

		Expenditure/Total Sanitation and Waste Water Revenue x 100	Year reports and AR	
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### B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	$(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of units sold}) / \text{Number of Electricity Units Purchased and/or generated} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	5% - 10%
2	Water Distribution Losses (Percentage)	$(\text{Number of Kilolitres Water Purchased or Purified} - \text{Number of Kilolitres Water Sold}) / \text{Number of Kilolitres Water Purchased or Purified} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	5% - 10%



### C. Revenue Management

1	Growth in Number of Active Consumer Accounts	$\left( \frac{\text{Period under review's number of Active Debtor Accounts} - \text{previous period's number of Active Debtor Accounts}}{\text{previous number of Active Debtor Accounts}} \right) \times 100$	Debtors System	None
2	Revenue Growth (%)	$\left( \frac{\text{Period under review's Total Revenue} - \text{previous period's Total Revenue}}{\text{previous period's Total Revenue}} \right) \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI
3	Revenue Growth (%) - Excluding capital grants	$\left( \frac{\text{Period under review's Total Revenue Excluding capital grants} - \text{previous period's Total Revenue excluding capital grants}}{\text{previous period's Total Revenue excluding capital grants}} \right) \times 100$	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI

### D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure × 100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%

### E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None

### 3. BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%

# **BERGRIVIER MUNICIPALITY**

## **BUDGET IMPLEMENTATION AND MONITORING POLICY**



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## **1. PREAMBLE**

In the spirit of the Municipal Finance Management Act, (No.56 of 2003) to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents, customers, users and investors; and

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

In terms of the Budget and Reporting Regulations the municipality has to adopt a policy which include the following:

1. a policy dealing with the shifting of funds within votes
2. a policy dealing with the introduction of adjustment budgets
3. policies dealing with unforeseen and unavoidable expenditure
4. policies dealing with management and oversight

Therefore the BERGRIVIER Municipality adopted a Budget Policy to give effect to the Budget and Reporting Regulations as set out in this policy.

## 2. DEFINITIONS

**"Accounting officer"** means a person appointed in terms of section 82(1) (a) or (b) of the Municipal Structures Act;

**"Allocation"** means

- (a) a municipality's share of the local government's equitable share referred to in section 214(1) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

**"Annual Division of Revenue Act"** means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

**"Approved budget"** means an annual budget

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

**"Basic Municipal Service"** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

**"Budget-related Policy"** means a policy of a municipality affecting or affected by the annual budget of the municipality, including

- (a) the tariff policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

**"Budget steering committee"** means a committee established in terms of section 4 of the Municipal Budget and Reporting Regulations, published in Government Gazette 32141 dated 17 April 2009

**"Budget transfer"** means transfer of funding within a function / vote subject to limitations.

**"Budget Year"** means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

**"Chief Financial Officer"** means a person designated in terms of section 80(2) (a) of the MFMA;

**"Councillor"** means a member of a municipal council;

**"Current year"** means the financial year, which has already commenced, but not yet ended;

**"Delegation"**, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

**"Executive mayor"** means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;



**"Financial recovery plan"** means a plan prepared in terms of section 141 of the MFMA

**"Financial year"** means a twelve months period commencing on 1 July and ending on 30 June each year

**"Financing agreement"** includes any loan agreement; lease; and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

**"Fruitless and wasteful expenditure"** means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

**"Irregular expenditure"** means

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA , and which has not been condoned by Council
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

**"Investment/s"** in relation to funds of a municipality, means

- (a) The placing on deposit of funds of a municipality with a financial institution; or
- (b) The acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

**"Local community"** has the meaning assigned to it in section 1 of the Municipal Systems Act;

**"Municipal Structures Act"** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

**"Municipal Systems Act"** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**"Long-term debt"** means debt repayable over a period exceeding one year;

**"Municipal council"** or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

**"Municipality"**

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

**"Municipal service"** has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

**"Municipal tariff"** means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

**"National Treasury"** means the National Treasury established by section 5 of the Public Finance Management Act;

**"Official"** means

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

**"Overspending"**

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;
  - 1 July to 30 September;
  - 1 October to 31 December;
  - 1 January to 31 March; or
  - 1 April to 30 June;

**"Service delivery and budget implementation plan"** means a detailed plan approved by the executive mayor of a municipality in terms of section 53(1) (c) (ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate

- (a) projections for each month of
  - (i) revenue to be collected, by source; and
  - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(1) (c) of the MFMA;

**"Unauthorised expenditure"** means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific

purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with the MFMA;

"Quarter" means any of the following periods in a financial year:

"Virement" refer to the definition of budget transfer

"Vote" means

(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

(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

### 3. OBJECTIVES OF POLICY

The policy sets out the budgeting principles which BERGRIVIER Municipality will follow in preparing and implementing each annual budget. This policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets. The policy shall apply to all staff and councillors of the BERGRIVIER Municipality that are involved in budget implementation.

### 4. BUDGET PRINCIPLES

The municipality shall ensure that revenue projections in the budget are realistic taking into account actual collection levels. The expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

BERGRIVIER Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) which will be reviewed annually and will be approved by Council. The MTREF budget will at all times be within the framework of the Municipal Integrated Development Plan (IDP) **and based on the Strategic Planning Process**.

The annual budget will consist of a Capital and Operating Budget which will be discussed below:

#### 4.1. Capital Budgets

The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year.

##### 4.1.1. Basis of Calculation

- a) The **zero based method** is used in preparing the new MTREF capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.
- b) The annual capital budget shall be based on realistically anticipated revenue (capital loans to be taken up will be deemed to be part of this), which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

- c) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analysed when the annual capital budget is being compiled.
- d) In addition, the council shall consider the likely impact of such operational expenses, net of any revenues expected to be generated by such item, on future property rates and service tariffs.

#### **4.1.2. Financing**

##### **Own Financing Sources**

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

- a) Unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes
- b) Further amounts appropriated as contributions in each annual or adjustments budget; and

##### **Other Finance Sources**

The Ad-Hoc capital budget shall be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue of Act
- b) Grants and subsidies as allocated by Provincial government.
- c) External Loans
- d) Private Contributions
- e) Any other financing source secured by the local authority.

#### **4.1.3. Process and responsible parties**

The process to be followed in the compilation of the capital budget is as follows:

- a) The CFO, in conjunction with the Manager: Budget Office, and after consultation with the Portfolio Councillor of Finance sets the realistic growth level of the capital budget to be financed out of own sources (CRR).
- b) The draft capital budget is compiled based on the projects that emanated out of the engagements with the different stakeholders.
- c) The CFO, together with the Manager: Budget Office, engage with the Directors and the IDP Manager in order to determine the priorities for a particular financial year and to determine the ranking of projects based on these priorities.
- d) The draft capital budget is submitted to the Budget Steering Committee for their perusal and suggestions.
- e) The draft capital budget is tabled to Council 90 days before the start of the new financial year 31 March.

- f) After the draft budget is approved by Council, it is released for public comment.
- g) Once the comments from the public have been submitted, noted and considered, amendments are made to the draft budget and the budget is tabled to Council for final approval 30 days before the start of the financial year (31 May).

#### **4.1.4. Implementation**

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) should be compiled.
- b) The SDBIP must be tabled to the Mayor within 14 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget

## **4.2. Operational Budget**

The operational budget refers to the funds that would be raised in the delivery of basic services, grants and subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

### **4.2.1. Basis of Calculation**

- a) The **zero based approach** is used in preparing the annual operating budget, except in cases where impractical. In these instances the incremental method will be followed.
- b) The annual operating budget shall be based on realistically anticipated revenue.
- c) An income based approach shall be used whereby realistically anticipated income is determined first and the level of operating expenditure would be based on the determined income flows.

### **4.2.2. Financing**

The operating budget shall be financed from the following sources:

- a) Service Charges
  - (i) Electricity Charges
  - (ii) Water Sales
  - (iii) Refuse Removal Fees

- (iv) Sewerage Fees
- (v) Property Rates
- b) Taxes: Increases in tariffs and rates will as far as possible be limited to inflation plus an additional percentage increase to accommodate the growth of the town.
- c) Grants and Subsidies: Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.
- d) Interest on Investments: The budget for interest and investment shall be in accordance with the Cash Management and Investment policy of the organization.
- e) Rental Fees: Income from rental property will be budgeted for based on the percentage growth rate as determined by Financial Services for a particular budget year
- f) Fines: Income from fines will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year
- g) Other Income: All other income items will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year
- h) Notwithstanding the aforementioned, National and other benchmarks and ratios shall also be utilized to prevent uncontrolled negative growth of this source of income

#### **4.2.3. Budget Categories**

The following expenditure categories shall be accommodated in the operating budget.

- a) Salaries, Wages and Allowances The salaries and allowances are calculated based on the percentage increases as per the collective agreement between organised labour and the employer for a particular period. The remuneration of all political office bearers is based on the limitations and percentages as determined by the responsible National Minister.
- b) Collection Costs: It refers to costs attributed to the maintenance of the financial system used for the collection of outstanding amounts and is based on the service level agreement.
- c) Depreciation: The above is calculated at cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets
- d) Interest External Borrowings: The above refers to interest that has to be paid on an external loan taken up by Council. The budget will be determined by the repayments that the municipality is liable for based on the agreements entered into with the other party.
- e) Bulk Purchases: The expenditure on bulk purchases shall be determined using the tariffs as stipulated by NERSA and by any other service provider from time to time.

- f) Other General Expenditure: A percentage growth for all other general expenditure will be based on the percentage determined by Financial Services in line with prevailing growth rates, CPI and prior actual expenditure trends.
- g) Repairs and Maintenance: The budget of repairs and maintenance shall be based on the increment as determined by Financial Services in conjunction with the needs of the departments in terms of repairing their assets.
- h) Contributions to Funds: Refers to the contribution made to provisions (e.g. leave reserve fund) on annual basis and are determined based on the actual expenditure in the previous year and any other factor that could have an effect.
- i) Less: Debited Elsewhere This category refers to interdepartmental charges within the organization. The performance of each of line item is analysed where after the budget is based on the preceding year's performance.
- j) Appropriations: Refers to the transfers to-and from the Capital Replacement Reserve, to offset depreciation charges. Appropriations are determined on an annual basis.

#### **4.2.4. Process**

- a) The CFO, in conjunction with the Budget Steering Committee, set the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels. (i.e. CPI).
- b) After the income has been determined, an acceptable growth level for the operating expenditure is determined and the principles informing the compilation of the draft operating budget are discussed at directors' forum.
- c) The draft operating budget is compiled based on realistically anticipated revenue resulting from detailed income modelling exercises.
- d) The draft operating budget is submitted to the Steering Committee for consideration.
- e) The draft operating budget is tabled to Council 90 days before the start of the new financial year (31 March).
- f) After the draft operating budget is approved by Council, it is released for public comment.
- g) Once the comments from the public have been submitted, same is considered in terms of the MFMA, where after the final budget is tabled to Council for approval, at least 30 days before the start of the new financial year (31 May)

#### **4.2.5. Implementation**

- a) The draft SDBIP must be submitted with the draft budget as per the new treasury guideline and can be refined after budget approval
- b) The SDBIP must be tabled to the Mayor within 14 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and

operating budgets. (Cash flows)

- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget.
- g) The principles of efficient, effective and economic implementation should at all times be applied.
- h) Standard for income and expenditure where such have been determined via NT Circulars shall be adhered to, eg Water losses and electricity distribution allowable losses.

## **5. Adjustments Budget**

- a) An adjustments budget will be compiled only once a year if intended adjustments fall in one of the following categories:
  - i. to appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
  - ii. to authorise the utilisation of projected savings in one vote towards spending under another vote;
  - iii. to authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
  - iv. to correct any errors in the annual budget. The adjustments budget for above mentioned categories will be tabled to council at any time after the mid-year budget and performance assessment but not later than 28 February of the that financial year.
- b) An adjustments budget will be compiled more than once a year if intended adjustments fall in one of the following categories:
  - i. to adjust the revenue and expenditure downwards if there is material under collection of revenue during the current year
  - ii. to appropriate additional revenues from National and Provincial Government that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for;
  - iii. to authorise unforeseeable and unavoidable expenditure recommended by the mayor to authorise unauthorised expenditure as anticipated by section



28(2) (g) of the MFMA

- iv. to authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council
- vi. to correct any errors in the annual budget

The adjustments budgets for above mentioned categories will be tabled to council at the first available opportunity after above mentioned events occurred.

- c) The adjustments budget will be treated in the same manner as the annual budget in terms of calculation and implementation.
- d) The adjustments budget must be approved by Council.

## **6. BUDGET IMPLEMENTATION**

### **6.1 Monitoring (Section 71 of MFMA)**

The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take all reasonable steps to ensure that:

- i. funds are spent in accordance with the budget;
- ii. expenses are reduced if expected revenues are less than projected; and
- iii. revenues and expenses are properly monitored.

### **6.2 Reporting**

#### **6.2.1 Monthly budget statements (Section 71 of the MFMA)**

The Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

#### **This report must reflect the following:**

- i. actual revenues per source, compared with budgeted revenues;
- ii. actual expenses per vote, compared with budgeted expenses;
- iii. actual capital expenditure per vote, compared with budgeted expenses;
- iv. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- v. the amount of allocations received, compared with the budgeted amount;
- vi. actual expenses against allocations, but excluding expenses in respect of the equitable share;
- vii. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in

- the service delivery and budget implementation plan;
- viii. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
  - ix. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality. The report submitted to National and Provincial Treasury must be both in electronic format and in a signed written document.

### **6.2.3 Mid-year budget and performance assessment (Section 72 and 88 of MFMA)**

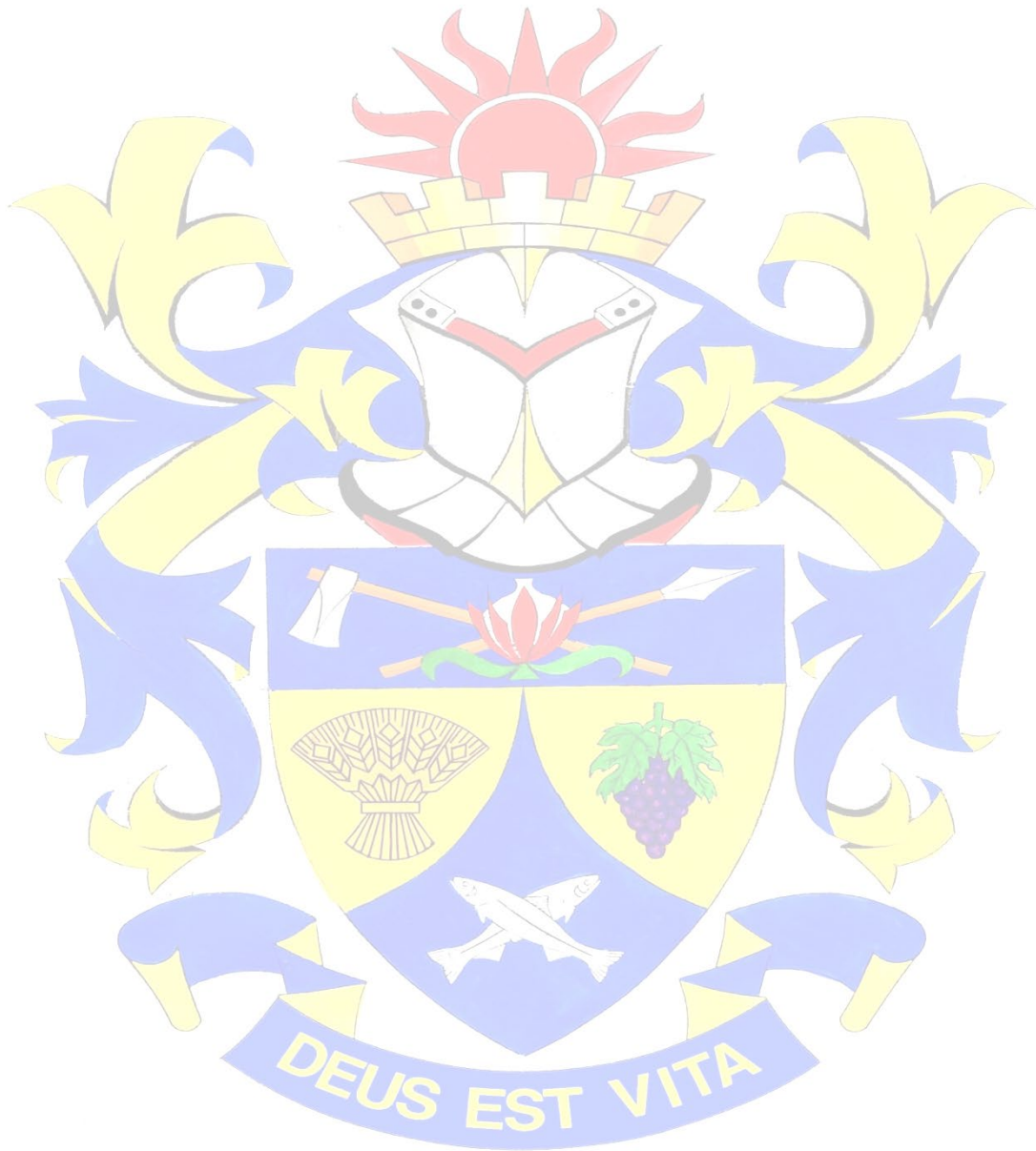
The Accounting Officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan. The Accounting officer must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

## **7. REVIEW OF POLICY**

This policy took effect on 1 July 2015 (excluding the amended sections for consideration) and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives, good governance, and prudent expenditure management and with relevant legislation.

**BERGRIVIER MUNICIPALITY**



**PETTY CASH POLICY 2023/2024**

# BERGRIVIER MUNICIPALITY

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# **BERGRIVIER MUNICIPALITY**

## **1. INTRODUCTION**

The accounting officer of a municipality is responsible for the management of the expenditure

of the municipality in an effective and controlled manner. Therefore the Bergrivier Municipality adopts the following petty cash policy.

## **2. REGULATORY FRAMEWORK**

- a) The Municipal Finance Management Act (56 of 2003)
- b) Section 15 of the Municipal Supply Chain Regulations
- c) Treasury regulations in terms of Section 13(1) of the Act.

## **3. OBJECTIVES**

Compliance with the regulatory framework in terms of the relevant legislation is required.

## **4. RESPONSIBILITY AND ACCOUNTABILITY**

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager)-

(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—

(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

(b) that the municipality has and maintains a management, accounting and information system which—

(i) recognises expenditure when it is incurred;

(ii) accounts for creditors of the municipality; and

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(iii) accounts for payments made by the municipality;

(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;

(d) that payments by the municipality are made—

(i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and

(ii) either electronically eft or provided that cash payments and payments by way of cash may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer to ensure compliance and adherence to the principles established by this policy.

## 5. PETTY CASH FRAMEWORK

### 5.1 General Policy

a. The use of petty cash floats is strictly confined to individual cash purchases of:

i) up to a maximum of R500, where the petty cash floats in other departments are used to make purchases,

ii) Petty cash maybe used for the purchase of prepaid sell phone costs, postage, cleaning products, and minor equipment for example a plug, wire etc. Maybe used to be cost effective items that would not warrant a requisition. Must be minor items.

iii) up to a maximum of R3 000, when claimed from the Financial Services Petty Cash Float, and the Mayor's office up to R5000.00.

iv) the office of the Mayor may make a once off payment above R500.00 but not exceeding R2000.00, the evidence must be attached (Request from the community in writing, program for the event or a written request from the Mayor. Attach the cash receipt with a signature or an actual receipt from the business for the items purchased from.)

**b. It is not acceptable for one receipt or a number of receipts, in respect of the same event, which have been obtained by the same person, to be split over two cash purchase claims.**

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c. A petty cash float is not to be used for any of the following:

i) loans to any person whatsoever;

ii) payment of personal remuneration to any employee whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason.

iii) Purchase of capital items

d. Other cash floats may also be established for the purpose of providing change, for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established.

e. The Chief Financial Officer may approve the use of petty cash for specific use, based on practical reasons or cost-benefit reasons. Such an authority will be done on a case by case basis for the purposes of considering merit.

f. The CFO may determine and approve the maximum amount to be held in any individual petty cash float.

g. The petty cash tin must be locked at all times in a safe. The responsible person given the permission to keep the petty cash will be granted permission in writing.

h. Petty Cash maybe used to pay out both donations and make purchases by the Mayor's office only, but evidence must be submitted with either the signatures of receipt of money or an actual receipt from the Supplier/Beneficiary up to an amount not exceeding R2000.00, otherwise a cheque must be requested.

## **5.2 Purchases through Petty Cash Float – Supply Chain Management Office**

a. Purchases from SCM database suppliers shall be allowed in the following instance, provided that a monthly submission are made to the CFO of all purchases and the respective director confirming the enforcement of rotation of suppliers:

i) When the amount of the individual purchase / event is less than R250.00, irrespective of it being an emergency or not.

**b. Purchases from SCM database suppliers are NOT allowed for capital items or fuel.**

c. Petty cash claims will be dealt with on a first come, first serve basis and it is subject to the monetary limit of the petty cash.

## **5.3 Establishing and Operating a Petty Cash Float**

a. To establish a new petty cash float or increase an existing advance, a written application is to be made to the Chief Financial Officer by the relevant Department, motivating the need for such petty cash float.

b. The total value of the advance requested will be an amount which would normally necessitate reimbursement approximately once a fortnight. This level of advances keeps to a minimum the overall cash in the buildings on municipal property and

# BERGRIVIER MUNICIPALITY

ensures regular inclusion of information regarding expenditure in financial reports and for budget control purposes.

c. A request for the establishment of an advance will indicate the name and status of senior administrative or clerical staff to be held responsible for the operation of the petty cash float. The staff member's specimen signature must also be submitted by the Department to the Chief Financial Officer, together with the application documentation.

d. The application will indicate the security arrangement in place to ensure safe custody of funds in the office. The minimal security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe. If an advance is approved, the Assistant Accountant: Creditors will advise the Department accordingly and request that the responsible staff member collect the advance. This establishing advance will be charged to a "Petty Cash Advances - ...Name/Dept..." in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

## 5.4 Security of Petty Cash Floats

a. The cash on hand and used petty cash vouchers are to be kept in a locked box for which there should be two keys. One key is to be retained by the officer (on their person) normally responsible for the petty cash and the other to be kept in a sealed envelope in the office safe or other secure place, to be used only in an emergency.

b. The locked petty cash box must be kept in a secure place/safe when not in use and should be removed and returned by the responsible staff member only. At no stage should staff other than the responsible administrative/clerical staff member have access to the storage place of the petty cash box. If the locked petty cash box is in a draw, the draw must be locked at all times and the keys be kept safe with the responsible staff member.

c. Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.

d. **When the responsible officer is either going on leave or is leaving the Municipality's employment, the petty cash float is to be reconciled and signed by the departing- as well as replacement staff members, to indicate their agreement as to its balance. The replacement staff specimen signature must also be submitted to the Chief Financial Officer and Director responsible.**

e. **In all circumstances Staff that receive the petty cash for the offices not in Piketberg will sign when receiving the money from the finance department, and must make sure that the responsible person for petty cash signs that they have received the petty cash. No petty cash will be placed in any place un-attended, if so the responsible person for petty cash will be held accountable for the petty cash.**

## 5.5 Completing a Cash Purchase Claim Form

a. Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:

(i) Cash Purchase Claim page

(ii) Cash Purchase Record page - register



## **BERGRIVIER MUNICIPALITY**

(iii) Receipt for cash advance (Only when appropriate, refer paragraph on Advances).

b. All details entered on the Cash Purchase Claim appear on the Cash Purchase record page.

c. The Cash Purchase Claim must be completed as follows:

(i) description and cost of the goods/services purchased

(ii) purchaser's signature

(iii) vote number to be charged

(iv) signature of the Officer in Charge of Petty Cash.

d. Original receipts or other valid documentation as required must be attached as proof of payment, with the signature of an appropriate financial delegate on this documentation. A financial delegate cannot authorise a cash purchase claim where she or he is the purchaser.

### **5.6 Sub-Advances to staff members**

a. If it is necessary to make an initial sub-advance to a staff member for various needs, a receipt for cash advance must be completed. The receipt for Cash Advance Form must be completed as follows:

(i) description and estimated cost of the goods/services purchased

(ii) purchaser's signature

(iii) vote number to be charged

(iv) signature of the Officer in Charge of Petty Cash.

b. On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Cash Purchase Claim Form.

All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or the money will be deducted on his/her next salary irrespective of consent being given or noted. Not more than one advance will be made to any one person at a time.

### **5.7 Out-of-Pocket Payments**

a. Where a staff member has made purchases from their own funds and now seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.

b. The supporting documentation is to be attached to the Claim.

c. The recording-, documentation- and authorization requirements will be as stated in the above paragraph (Completing a Cash Purchase Claim Form).

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## 5.8 Reimbursement of Petty Cash Floats

- a. A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement-
  - (i) returns the cash level of the petty cash float to its original level and
  - (ii) charges the expenditure which has been made, to the correct expenditure vote.
- b. Accordingly, at any point of time, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, will equal the level of the petty cash advanced to the Department.
- c. Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be taken by the officer in charge of the Petty Cash in a Directorate/Department, to the Assistant Accountant: Accounts Payable for reimbursement, after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate at least once in 14 days. Reimbursement of claims where supporting documentation is missing will not be entertained.
- d. The prescribed Summary Cash Purchase Claim form as well as other relevant forms attached to it must be completed in full.
- e. The most recently completed Cash Purchase Claim form must record the reconciliation of the petty cash float. The Assistant Accountant: Accounts Payable will refuse reimbursement of claims where this is not supplied.
- f. A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

## 5.9 Shortages

- a. Any shortages in respect of a petty cash float must be paid in immediately.
- b. Where a petty cash float is stolen the incident must be reported promptly to the Chief Financial Officer in the required format, after which same needs to be reported to the South African Police Services and a case number provided to the Assistant Accountant: Accounts Payable.
- c. If the Petty Cash is not reconciled daily, weekly or monthly and there is non adherence to the Petty Cash Policy disciplinary action can be instituted by Bergrivier Municipality.

## 5.10 Procedure applicable when a Petty Cash Float is repaid/cancelled

When an advance is no longer required, a statement in a form of a memorandum is to be completed and signed by the Head of the relevant Department and submitted to the Assistant Accountant: Accounts Payable, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float, where after a cheque will be issued to the relevant person to effect completion of the transaction..

The Cashier will issue a receipt to the affected department.

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### 5.11 Financial year-end procedures

Reconciled petty cash registers (cash slips attached), accompanied with the cash balance must be returned to the Senior Accountant: Expenditure a week before the financial year end.

Addendum:-

The register must be on excel and should look like the undermentioned format for each month of the financial year:-

The reconciliation must be done daily and closed off on a monthly basis, and signed off by the relevant Director/Manager.

This is an example:-

<b>KLEINKAS FINANSIES</b>					
<b>Besonderhede</b>	<b>MPTENAA</b>	<b>DATUM</b>	<b>VOTE</b>	<b>UITGAWES</b>	<b>BALANS</b>
Openings balans	Aanvulling				R 2 000,00
FOX BOUERS	UVW	2018-12-10	012/061/2270/00	R 22,50	R1 977,50
PIKETBERG DRUKKERS	PA	2018-12-11	012/102/2430/00	R 130,80	R1 846,70
E KANKOWSKI	EK	2018-12-15	012/102/2140/00	R 89,95	R1 756,75
STIK EN STOFFEER	EK	2018-12-18	012/102/2140/00	R 200,00	R1 556,75
CRAZY STORE	ES	2018-12-18	012/102/2140/00	R 249,90	R1 306,85
BOLAND SPAR	EK	2018-12-18	012/102/2570/00	R 144,50	R1 162,35
ZAP ZONE	HJ	2018-12-19	012/061/2270/00	R 100,00	R1 062,35
C TURNER	CT	2019-01-02	012/061/2060/00	R 200,00	R 862,35
PIKETBERG DRUKKERS	EK	2019-01-18	012/102/2430/00	R 73,30	R 789,05
CRAZY STORE	EK	2019-01-18	012/102/2430/00	R 19,90	R 769,15
MAGNOLIA KEYS	EK	2019-01-25	012/061/2270/00	R 120,00	R 649,15
BOLAND SPAR	EK	2019-01-30	012/063/2570/00	R 97,10	R 552,05
			012/063/2570/00	R 33,80	R 518,25
PIKETBERG BANDEDIENS	MC	2019-02-05	012/061/3090/00	R 84,30	R 433,95
MIDAS	MC	2019-02-05	012/061/2270/00	R 96,00	R 337,95
<b>UITGAWES TOTAAL</b>				<b>R 1 662,05</b>	
<b>BALANS</b>					R 337,95
<b>AANVRAAG</b>					R1 662,05

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ADDENDUM

Sample of an advance taken to go and purchase goods etc:-

<b>CASH ADVANCE VOUCHER FORM</b> <b>OFFICE: .....</b>	
<b>DATE:</b> .....	<b>AMOUNT ISSUED:R</b> .....
<b>EXPLANATION</b> (Include general description of purpose for Cash advance) ..... ..... ..... ..... ..... .....	
AMOUNT REQUIRED: R.....VOTE NUMBER..... RECEIVED BY: ..... Full names PAY NUMBER: ..... (BERGRIVIER MUNICIPALITY) SIGNATURE RECEIVED:..... CASH ADVANCE ISSUED BY:..... Full names SIGNATURE ISSUED ADVANCE:.....	
This advance must be repaid with cash or receipt proof to the total issued. AMOUNT RETURNED:R..... RECEIPT AMOUNT:..... RECEIVED BY PETTY CASH CONTROLER: ..... Signature DATE received and captured in register:.....	
Note: - The petty cash can be checked at any time by the Bergrivier Municipality and if not balancing this can lead to disciplinary action according to the Bergrivier Municipalities disciplinary code and policy.	

# BERGRIVIER MUNICIPALITY

## Handling of Petty Cash – Form no 3.

When a person goes on leave or hands the Petty Cash in for top up this form will be signed.

### RESPONSIBLE PERSON FOR PETTY CASH:-

I hereby confirm that I have done the petty cash reconciliation and it has been counted and signed of by the Department Director.

.....  
SIGNATURE

.....  
DATE

### HANDED OVER TO THE FINANCE DEPARTMENT

I hereby confirm that I have counted the slips and reconciled this with the petty cash, and it is in accordance to the Petty Cash Policy.

.....  
SIGNATURE: Finance

.....  
DATE

### ON LEAVE AND HANDLING OVER TO AN OTHER OFFICIAL

I hereby confirm that the petty cash slips and cash was counted by both officials and that the money and slips balance with the float total.

.....  
SIGNATURE – HANDOVER

.....  
DATE

.....  
Pay No.

.....  
SIGNATURE – RECEIVER

.....  
DATE

.....  
Pay No

This form will always accompany the reconciliation, if a person was on leave or the petty cash was handed over to somebody else.

# **BERGRIVIER MUNICIPALITY**



## **CREDITORS, COUNCILLORS AND PERSONNEL PAYMENT POLICY**

**Date: March 2023**

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## **A. POLICY OBJECTIVE**

The objective of this policy is to provide standard procedures relating to payments due to creditors, councillors and personnel of Bergrivier Municipality from municipal funds.

## **B. LEGISLATIVE REQUIREMENTS**

In terms of section 65 of the Municipal Finance Management Act, Act 56 of 2003, the Municipal Manager as an Accounting Officer of the Municipality is responsible for the management of the expenditure of the municipality and, to this end, must take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds.

The municipality must, when it approves the annual budget for each year, also approve a cash flow projection for the year by revenue source broken down per month in terms of section 17(3) (c) of the MFMA. The municipality's Service Delivery and Budget Implementation Plan (SDBIP) must contain revenue and expenditure projections for each month as required by section 53 (3) (a) of the MFMA. The Municipal Manager must ensure, in terms of section 54 (1) (d) of the MFMA, that spending of funds and revenue collection proceed according to the budget.

The Municipal Manager must in terms of section 65 (2) of the MFMA for the purpose of giving account of the discharge of her/his responsibilities in respect of expenditure management take all reasonable steps to ensure —

- (a) That the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
- (b) That the municipality has and maintains a management, accounting and information system which recognises expenditure when it is incurred, and which accounts for creditors of and payments made by the municipality;
- (c) That the municipality has and maintains a system of internal control in respect of creditors and payments;
- (d) That payments by the municipality are made directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed and either electronically or by direct deposit. No cash payments, payments by way of transferable and/or cash may be made;
- (e) That all money owing by the municipality be paid within 30 days of receiving the relevant invoice and/or statement, unless prescribed otherwise by the Minister of Finance in terms of a regulation for certain categories of expenditure;
- (f) That the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments;
- (g) That any dispute concerning payments due by the municipality to another organ of state is disposed of in terms of legislation regulating disputes between organs of state;



- (h) That the municipality's available working capital is managed effectively and economically in terms of the cash management and investment policy of the municipality and within the framework prescribed by the Minister of Finance, and;
- (i) That the Accounting Officer takes all reasonable steps, according to the MFMA Act No. 56 of 2003 sec 5 (2), to ensure that expenditure management of all financial accounts of the municipality are closed at the end of each month and reconciled with its records.
- (j) That the Municipality complies with the MFMA Act No 56 of 2003 of section 118 that no person may-
  - (a) interfere with the supply chain management system of a municipality or municipal entity; or
  - (b) amend or tamper with any tenders, quotations, contracts or bids after their submission.

### **C. DEFINITIONS**

In this policy –

“Act”	refers to the Local Government: Municipal Finance Management Act, 56 of 2003;
“Accounting Officer”	refers to the Municipal Manager;
“Chief Financial Officer”	refers to the official of the Municipality designated as such by the accounting officer in terms of section 80 [2] [a] of the Act;
“Creditor”	refers to the person to whom money is owed by the Municipality;
“Municipality”	refers to the Bergrivier Municipality;
“Procurement documents”	refer to quotation(s), requisition(s), SCM electronically generated order number;
“Small Enterprises”	refers to emerging business enterprises supplying the municipality with goods and services.

### **D. DUTIES OF ACCOUNTING OFFICER**

The Accounting Officer must take all reasonable steps to ensure –

- (a) That the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

- (b) That the municipality has and maintains a management, accounting and information system that –
  - (i) recognises expenditure when it is incurred;
  - (ii) accounts for creditors of the Municipality; and
  - (iii) accounts for payments made by the Municipality;
- (c) That the municipality has and maintains a system of internal control in respect of creditors and other payments.

#### **E. PAYMENTS TO CONTRACTORS/SUPPLIERS/CONSULTANTS**

- (1) The Accounting Officer must ensure:–
  - (a) That all payments made by the municipality are made directly to the person or creditor that had supplied the relevant goods and/or services and/or to whom such payment is due, as informed by the municipality's SCM generated order number, unless otherwise agreed upon for good reasons in writing between the Accounting Officer and creditor.
  - (b) That all tenders and quotations invited by and/or contracts entered into by the municipality, stipulate payment terms favourable to the municipality, i.e. payment due to fall not sooner than the conclusion of the month following the month in which a particular service is rendered to and/or goods are received by the municipality, provided that all reasonable steps shall be taken to ensure that payments are made within thirty (30) days from the date of in which the municipality receiving an invoice.
  - (c) That no payments exceeding the value of R30 000 (inclusive of VAT) will be made out by way of ~~non-transferable cheques~~; except for statutory requirements and suppliers such as Eskom and DWA.
    - (d) The Municipality is currently using the bank procurement card to pay itself for transactions.
  - (e) More than two (2) payments to the same creditor may be effected during any period of thirty (30) days, only on approval of the Expenditure Manager, and may not be in breach of Sec 65 (e) of the MFMA.
  - (f) ~~That no payment will be processed to any creditor if not accompanied by a creditor's statement.~~
  - (g) In respect of "small enterprises"; where the total annual turnover of the creditor for contract works with the municipality does not exceed the value of R500 000.00; the payment may be effected within fifteen (15) days of receipt of tax invoice or statement concerned unless otherwise agreed upon with the Manager Expenditure, provided that:
    - The Creditors Section is in possession of the procurement documents including the creditor's statement (s) and invoice(s) on/before the cut-off date as determined by the Manager Expenditure, depending on which payments is due for the 30 day period.

(h) The municipality will not perform any creditors' payment runs on Fridays unless specific approval is granted by the Chief Financial Officer.

(i) Banking details – Any changes to the Creditors' banking details will only be allowed when the following procedures have been met:

- The Creditor must inform the Municipality of its banking details on an original letterhead from the specific company and approved by the relevant banking institution with their official stamp and signature.
- The Creditor must also update the banking details on the National Treasury website - Central Supplier Database.

- Bank details changes must be authorised by two Senior Officials as identified by the Chief Financial Officer, in the Financial Department.

- Before payment is processed by the Creditors department for Service Level Agreement contracts the service delivery department must confirm:

- All prices, calculations and any taxes are correct.
- The account has not previously been paid.
- Sufficient budgetary provisions exist.
- Copy of the Service Level Agreement must be attached.
- Payment range for approval(Requisitions and Invoices)

One quote – up to R2000.00 – Manager approval  
Three quotes – R2001.00 – R30 000.00 – Manager approval  
Above R30 000.00 to R9 999 999.00 Director and Manager  
Above R10 000 000.00 Municipal Manager and Director

Repairs and maintenance of vehicles and machinery –from R2000.00 the Director and Manager. All quotations sourced for vehicle repairs must be taken to the Fleet Officer for approval. All vehicles that must be purchased must also be pre-approved by the Fleet Officer.

- All IT related purchases must be done by the ICT: Head. (Computers, Printers, Scanners, Docking Stations etc).

- The creditors checklist is completed and attached to the invoice.(This list must also be checked and signed off by the Accountant: Expenditure)
- Any instruction given to a Supplier without an official order will not be paid by the Municipality, the Official shall be held liable for payment.

Late submission of invoices with interest or handling fees will be recovered from the relevant official.

- When an order was issued for a certain quantity and specific items, the User Department cannot decide to take other items or quantities that is not on the order. If this would appear that items have been swapped for other items other than on the official order, the employee will be held responsible to pay for the items taken without an official order.

- (2) Notwithstanding the foregoing policy directives; the Accounting Officer must, when it is financially beneficial to the municipality, make full use of any extended terms of payment offered by suppliers of goods and/or services to the municipality and may not settle any accounts earlier than such extended due date.
- (3) No payment for the provision of services, the supply of goods and/or the execution of work shall be processed unless an original supplier tax invoice containing a reference to the relevant municipality's SCM purchase order and such other relevant information as the Chief Financial Officer may determine, has been received.
- (4) Suppliers' original tax invoices processed for payment shall be certified by the originator of the order and/or Departmental Head. This will represent confirmation of receipt of goods and/or services being received and/or rendered and/or executed in ways that are acceptable to the relevant departmental head and; where applicable, the relevant contract manager or according to contract conditions.
- (5) Suppliers must submit their original tax invoices and delivery notes as well as monthly statements to the Creditors Accounts Section in the Finance Department. Any invoice submitted to another department shall retard the speed of processing the referred payment; and shall not hold the Creditors Accounts liable for the delaying of such payment and the municipality's standard settlement terms will apply.
- (6) The Chief Financial Officer can process creditor payments more than once a week, provided that special payments to creditors may be made with the express approval of the Manager Expenditure if he/she is satisfied that there are compelling reasons for making such payments. The normal day for payment of Creditors will be on a Thursday of each week. Creditors' payments such as accommodation, travelling and subsistence will be dealt with on a case

by case basis, as approved by the Chief Financial Officer or delegated authority.

- (7) Payments in terms of this policy are subject to compliance with all financial requirements relating to payments to creditors by the municipality and the submission of all documentation substantiating particular payments.
- (8) The suppliers' invoices and/or delivery notes must reflect the municipality's unique order number for the goods purchased and/or services rendered; quantity purchased; date of the invoice as well as the VAT registration number (of the municipality); failure which will result to the referred invoice not being processed for payment.
- (9) All delivery notes on stock items must reflect the municipality's Stores stamp and the signature of the Senior SCM Practitioner: Logistics to confirm the delivery of the goods; failure which will result to the referred invoice not being processed for payment.
- (10) No municipal official; councillor; supplier; contractor and/or consultant will interfere in the processes of creditors' payments and/or accentuate the Creditors personnel to process payments outside the normal creditors' payment processes.
- (11) Any Council official who may wilfully/intentionally/or unintentionally misplace the creditors' payment documents, viz. Tax Invoices; Delivery Notes and/or Statements; will be fully liable for the recovery costs incurred; that includes the duplicate documentation fees and/or interest charged to the municipality.

Any municipal councillor and/or official who fails to submit payment documents and/or process creditors' payments within two (2) days after receiving such documents; in a manner that his/her actions result to interest and/or penalties being charged against the municipality shall be liable for such fruitless or wasteful expenditure and he/she will be dealt with in terms of the municipality's Unauthorized, Irregular, Wasteful and Fruitless Expenditure Policy.

The Municipality shall, if determined to be financially beneficial, and subject to cash flow being available, make use of early settlement discounts offered by suppliers to effect payment before the scheduled payment intervals as determined herein above, such payments may be approved by the CFO on recommendation by the Manager Expenditure.

#### **F. PAYMENTS TO COUNCILLORS/STAFF**

- (1) All subsistence and travel claims submitted by Councillors and personnel for payment will be processed in terms of the Council's approved Subsistence and Travel Allowance Policy. All claims submitted before the 10<sup>th</sup> of the month, will be paid on or before the 15<sup>th</sup> of the month and claims submitted thereafter will be paid with the monthly salary.
- (2) All approved documentation relating to such subsistence and travel claims, approved by the relevant Head of Department must reach the Payroll Office by not later than Tuesday, end of business. Such payments will only be

processed on Thursdays for payment that will be released only on Fridays, the same week.

- (3) Where a claim for payment is received after the day determined as per paragraph (2), such claim may be considered for processed provided that such action will not place an unnecessary work load or undue pressure on the Payroll Office and Creditors section.
- (4) The submission of overtime claims, standby, shift allowance claims must reach the Payroll Office on/before the 10<sup>th</sup> day of the month. Such payments will be dealt with per normal monthly payroll procedures. Late submissions will only be dealt with in the following month.
- (5) The submission of any other human resource requests such as leave encashment, allowances, acting allowances and/or any other statutory related payments must reach the Payroll Office on/before the cut off dates annually determined by the Chief Financial Officer. Such payments will be dealt with per normal monthly payroll procedures
- (6) Salary payments shall be on the 25<sup>th</sup> of each month or the closest working day thereto for all employees whether permanent, temporary or appointed on contract as well as Councillors, taking into consideration the bank cut-off times and related practical considerations; However, for the months of December; salaries will be processed within four (4) days prior to Christmas Day. The Chief Financial Officer will annually determine the salary payment dates and distribute same for information to all departments.
- (7) The practice for the processing of salary advances for the municipal Councillors and staff is forbidden in terms of Section 164 (c) (i) – (iii) of the Municipal Finance Management Act.
- (8) Closure for the submission of monthly payroll documentation for processing will be approved by the Chief Financial Officer, and will be communicated to other Heads of Department.
- (9) No municipal official and/or Councillor will interfere in the processes of salaries and wages payments or to accentuate the Payroll Office to process payments outside the normal salaries and wages payment processes.
- (10) The municipality, through the Payroll Office, shall not issue “cash-cheques” to employees for payments relating travel and subsistence, overtime, standby, nightshift claims, etc. Such payments must electronically be transferred into the employees banking accounts. For claims on S&T’s banking details as registered on the payroll system will be used for payment. It is the responsibility of each councillor and official to ensure that their banking details are correctly provided to the Human Resource Section for payroll purposes. The Salary office will not be held liable for incorrect payment details and the subsequent delay in payments or disbursements because of incorrect information supplied.
- (11) All instructions to the Payroll Office must be directed and reviewed by the Manager: Expenditure or his/her delegated official prior to such request being processed on the municipal payroll system.

- (12) The municipality shall not process payroll deductions if such deductions are not statutory related. Only statutory and/or collective agreement deductions as well as other deductions such as mortgage bonds, garnishee orders, pension fund loans, maintenance orders, and employees' rental accounts for municipal properties and arrear employees' municipal accounts recovered in terms of the municipal credit control and debt collection policy will be approved for processing by the Payroll Office.
- (13) The following deductions will not be allowed:
- (13.1) Insurance policies (Example: Old Mutual, Legal Wise, AVBOB, Metropolitan, SANLAM etc.)
  - (13.2) Current Municipal Accounts for rates and services, unless a written instruction is signed and provided to the Payroll office on or before the 10<sup>th</sup> of each month.
  - (13.3) Savings and investment account contributions
  - (13.4) Only the Unions that have a written agreement with a Broker and the Municipality is allowed to deduct contributions,

#### **G. DELEGATION OF FUNCTIONS AND POWERS**

The Accounting Officer may, in terms of section 79 of the Act, delegate his or her functions and powers in terms of this policy to the Chief Financial Officer.

# BERGRIVIER

Munisipaliteit / Municipality



## DRAFT COST CONTAINMENT POLICY



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## 1. DEFINITIONS

In this Policy, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

**"Act"** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**"Consultant"** means a professional person, individual, partnership, corporation, or a Company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality to perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;

**"Cost containment"** means measures implemented to curtail spending in terms of this Policy; and

**"Credit card"** means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

**"Social events"** means events involving only municipal councilors and / or members of Bergrivier Municipality does not include events where the public is involved or held to the benefit of the public.

## 2. OBJECT OF POLICY

The object of this Policy, in line with sections 62(1) (a) and 78(1) (b) of the Act, is to ensure that resources of the municipality are used effectively, efficiently and economically by implementing cost containment measures.

## 3. APPLICATION OF POLICY

This Policy apply to all officials and political office-bearers in Bergrivier Municipality. This policy overrides provisions of any other policy of the Municipality on the same content. In the case of differences between policies, this policy will suffice.

#### **4. USE OF CONSULTANTS**

4.1 The municipality may only appoint consultants if an assessment of the needs and requirements confirms that the Municipality does not have the requisite skills or resources in its full -time employ to perform the function. (See attached "Use of Consultants (all service providers) – an assessment of the needs and requirements" which is compulsory to accompany relevant requisitions for approval)

4.2 The accounting officer adopt the following fair and reasonable remuneration framework for consultants taking into account the rates –

- (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor -General of South Africa", issued by the South African Institute of Chartered Accountants;
- (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration; or
- (c) as prescribed by the body regulating the profession of the consultant.
- (d) any other reasonable framework prescribed by Professional Bodies and/or spheres of Government.

4.3 The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).

4.4 When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market – determined rates.

4.5 When consultants are appointed, the accounting officer must -

- (a) appoint consultants on a time and cost basis with specific start and end dates;
- (b) where practical, appoint consultants on an output-specified basis, subject to specific measurable objectives and associated remuneration;

- (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
- (d) ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;
- (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality's Supply chain management policy; and
- (f) develop consultancy reduction plans to reduce the reliance on consultants.  
(The Procurement Plan will indicate this plan)

4.6 All contracts with consultants must include a fee retention or penalty clause for poor performance.

4.7 The municipality must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and are appropriately recorded and monitored.

4.8 The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time

4.9 The contract price must specify all travel and subsistence costs and if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the national travel policy of the National Department of Transport.

4.10 The Accounting Officer may approve the utilization of a consultant outside of the above mentioned, when required for service delivery.

## **5. VEHICLES USED FOR POLITICAL OFFICE-BEARERS**

Bergvriër Municipality does not purchase vehicles for political office-bearers.

## **6. TRAVEL AND SUBSISTENCE**

6.1 –As per approved Council delegations the Accounting Officer, Director's or Managers:-

(a) may only approve the purchase of economy class tickets for all officials and/or political office bearers.

6.2 In the case of the accounting officer, the mayor may only approve the purchase of economy class tickets for any required flying.

6.3 International travel will be limited to meetings or events that are considered critical and really necessary. The number of officials or political office bearers attending such meetings or events must be limited to those officials or political office bearers directly involved in the subject matter related to such meetings or events.

6.4 The accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only -

(a) during peak holiday periods; or

(b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and /or international guests in that particular geographical area.

6.5 An official or a political office-bearer of the municipality must -

(a) utilize the municipal fleet, where viable, before incurring costs to hire vehicles;

(b) make use of available public transport or a shuttle service if the cost of such a service is lower than -

(i) the cost of hiring a vehicle;

(ii) the cost of kilometers claimable by the official or political office bearer;  
and

(iii) the cost of parking.

- (c) not hire vehicles from a category higher than Group B or an equivalent class;  
and
- (d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

6.6 The municipality must utilize the negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through a notice or any other available cheaper flight and accommodation.

## **7. DOMESTIC ACCOMMODATION**

7.1 The accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a notice.

7.2 Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.

7.3 There may be circumstances when the 500 kilometers limitation may be impractical. For example, in instances where attendance is required over a number of days, or there is a risk to the health of the official or councilor and cost vs benefit considerations can warrant such expenditure. The Accounting Officer may approve overnight accommodation with these factors in mind. 7.4 If the event last more than a day, then accommodation may be booked with prior approval.

## **8. CREDIT CARDS**

8.1 The accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality is issued to any official or political office bearer.

8.2 Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the municipality, and request reimbursement in accordance with the written approved policy and processes.

## **9. SPONSORSHIPS, EVENTS AND CATERING**

9.1 The municipality may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality, unless the prior written approval of the accounting officer is obtained.

9.2 The accounting officer may incur catering expenses for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours including travel time of participants.

9.3 Entertainment allowances of qualifying officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.

9.4 The municipality may not incur expenses on alcoholic beverages unless the municipality recovers the cost from the sale of such beverages.

9.5 The accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality budgets or by any suppliers or sponsors.

9.6 The municipality may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.

9.7 The accounting officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health.

9.8 Catering may be provided for the following:

9.8.1 Meetings of Council

9.8.2 Performance and Audit Committee

9.8.3 Oversight Committee

9.8.4 Performance reviews

9.8.5 Labour forum

9.8.6 Better Together Games

9.8.7 Executive Mayor's Golf Day

9.8.8 Fish factory tournament

9.8.9 VIP Golden Games

#### 9.8.10 Other meetings/events as authorised by the Accounting Officer

The amounts applicable for the 2021/2022 financial year is as approved in the report which accompany this policy.

9.9 The year end social function will be cancelled for cost containment.

Bergvriër Municipality will suffice with the Prize-giving function once a year where training and merit will be awarded.

### **10. COMMUNICATION**

10. The municipality may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers, unless required by law.

10.2 The accounting officer must ensure that allowances to officials for private calls and data costs are limited to an amount as determined by the accounting officer.

10.3 Newspapers and other related publications for the use of officials must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.

10.4 The municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

### **11. CONFERENCES, MEETINGS AND STUDY TOURS**

11.1 The accounting officer must establish policies and procedures to manage applications to attend conferences or events hosted by professional bodies or non – governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.

11.2 When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, the accounting officer or mayor as the case may be, must take the following into account -

- (a) the official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
- (b) whether the conference or event addresses relevant concerns of the institution;



(c) the appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and

(d) the availability of funds to meet expenses related to the conference or event.

11.3 The accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.

11.4 The benchmark costs referred to in sub -regulation (3) may not exceed an amount as determined from time to time by the National Treasury through a notice.

11.5 The amount referred to in sub -regulation (4) excludes costs related to travel, accommodation and related expenses, but includes -

(a) conference or event registration expenses; and

(b) any other expense incurred in relation to the conference or event.

11.6 When considering costs for conferences or events these may not include items such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.

11.7 The accounting officer of a municipality must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in- house.

11.8 Municipal or provincial office facilities must be utilized for conference, meetings, strategic planning sessions, inter alia, where an appropriate venue exists within the municipal jurisdiction.

11.9 The accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub - regulation (2).

11.10 The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

## **12. OTHER RELATED EXPENDITURE ITEMS**

12.1 All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

12.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.

12.3 Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

12.4 The municipality must avoid expenditure on elaborate and expensive office furniture.

12.5 The municipality may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.

12.6 The municipality may consider providing additional time -off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.

12.7 The municipality must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs.

## **13. ENFORCEMENT PROCEDURES**

Failure to implement or comply with these Regulations may result in any official of the municipality, political office bearer or director of the board that authorized or incurred any expenditure contrary to these regulations being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

#### **14. DISCLOSURES OF COST CONTAINMENT MEASURES**

14.1 The disclosure of cost containment measures applied by the municipality must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

14.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution.

14.3 The reports referred to in sub-regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to the municipal council.

#### **15. SHORT TITLE AND COMMENCEMENT**

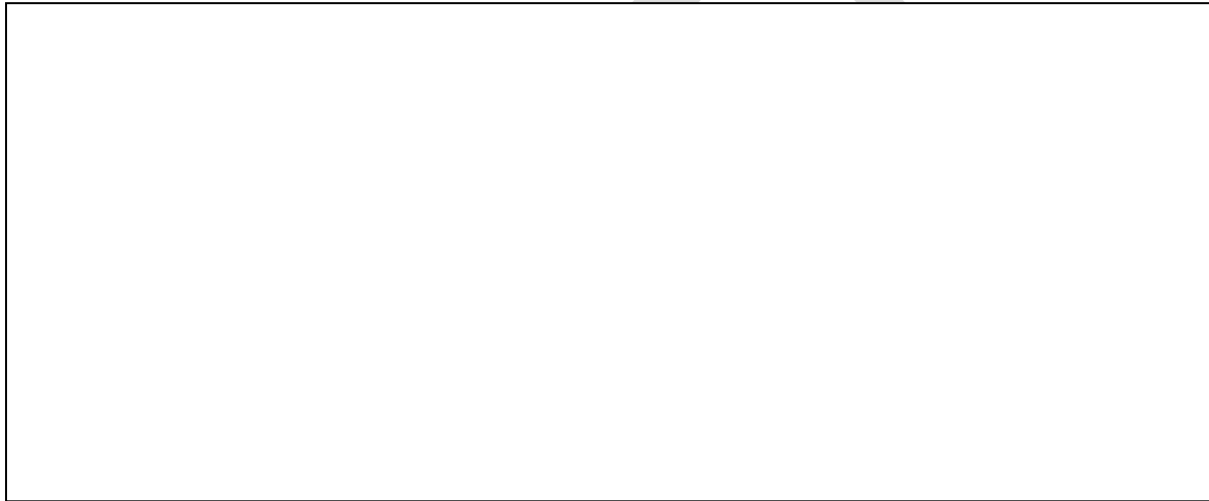
This policy is called the Cost Containment Policy and will commence on date of approval by Council

Attachment in terms of section 4.1 of the Policy

**Use of consultants (all service providers) –  
an assessment of the needs and requirements**

Failure to undertake the latter assessment will result in the expenditure incurred being classified as irregular expenditure.

confirms that the affected municipality or municipal entity **does not have the requisite skills or resources in its full -time employ to perform the function.**



**fair and reasonable remuneration framework** for consultants taking into account the rates - (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor - General of South Africa ", issued by the South African Institute of Chartered Accountants; (b) set out in the "Guide on Hourly Fee Rates for Consultants ", issued by the Department of Public Service and Administration; or (c) as prescribed by the body regulating the profession of the consultant.

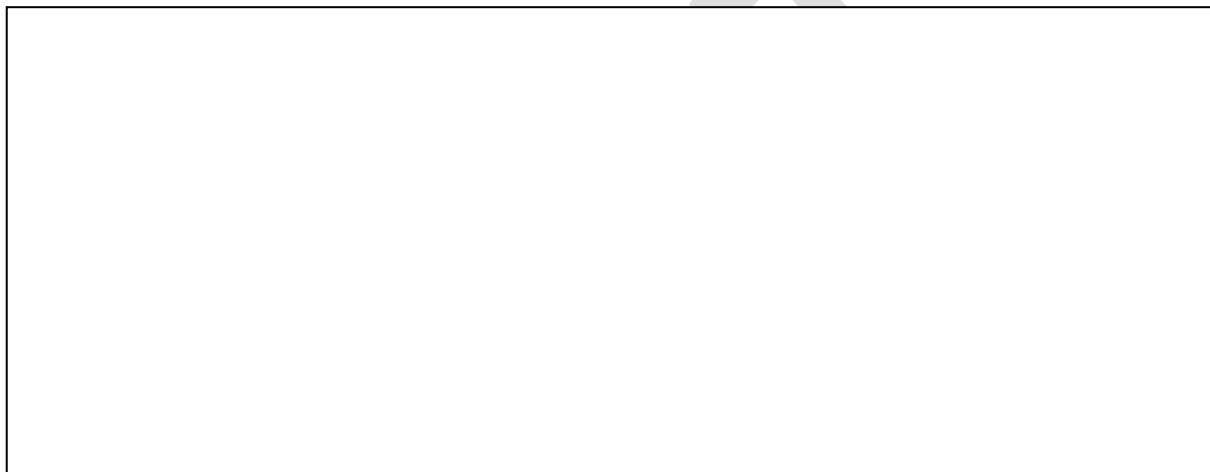
It is always advisable to negotiate lower rates than the maximum.

Some useful links regarding rates follow, this is not exhaustive, as there may be different rates for different professions, for example, engineers' contracts may relate to time, cost and rates, etc.

[www.dpsa.gov.za/dpsa2g/consultant\\_fees.asp](http://www.dpsa.gov.za/dpsa2g/consultant_fees.asp)

[https://www.saica.co.za/portals/0/documents/Circular\\_01\\_2018\\_Guideline\\_on\\_AGSA\\_Fees.pdf](https://www.saica.co.za/portals/0/documents/Circular_01_2018_Guideline_on_AGSA_Fees.pdf)

The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub -regulation (2). (4) When negotiating cost -effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market -determined rates.



(5) When consultants are appointed, an accounting officer must - (a) appoint consultants on a **time and cost basis** with specific start and end dates; (b) where practical, appoint consultants on an **output- specified basis**, subject to specific measurable objectives and associated remuneration;



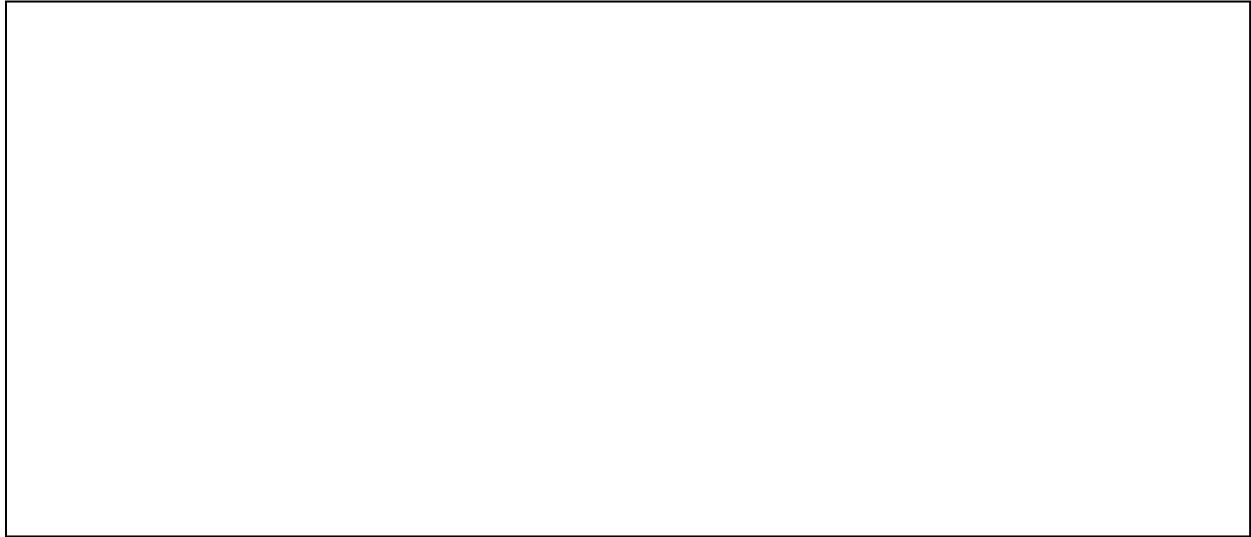
(c) ensure that contracts with consultants **include overall cost ceilings** by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;

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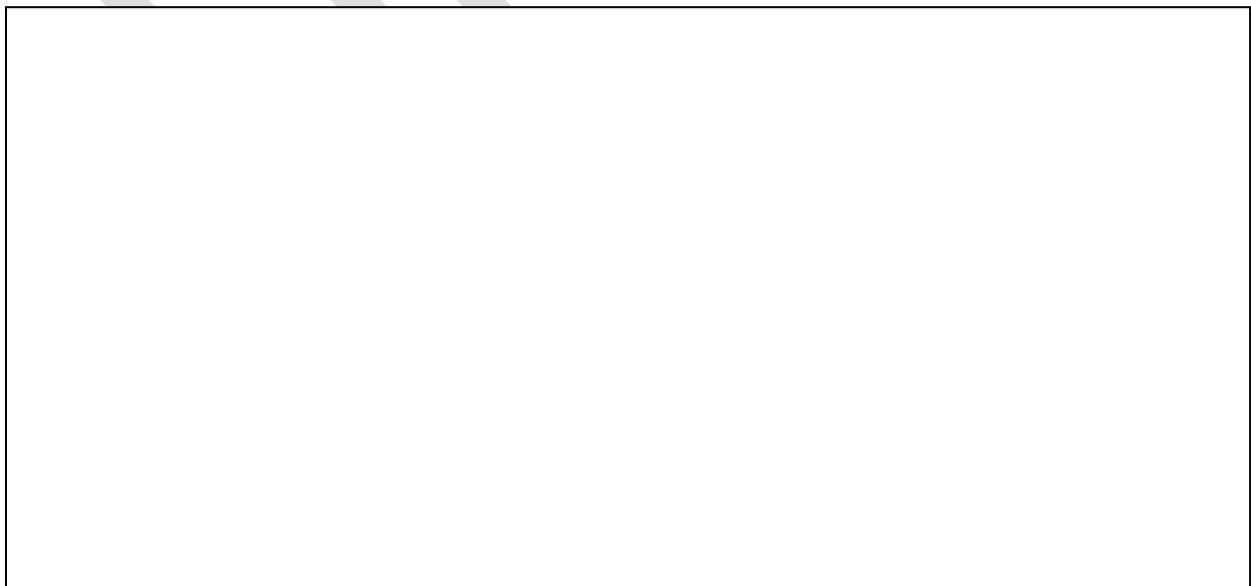
(d) ensure the **transfer of skills** by consultants to the relevant officials of a municipality or municipal entity;

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(e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality's **supply chain management policy**; and



(f) **develop consultancy reduction plans** to reduce the reliance on consultants. Look at consultancy reduction plan issued by the National Treasury for PFMA institutions and customize it for its own internal use. These documents can be accessed using the following link: <http://www.treasury.gov.za/legislation/pfma/guidelines/default.aspx>

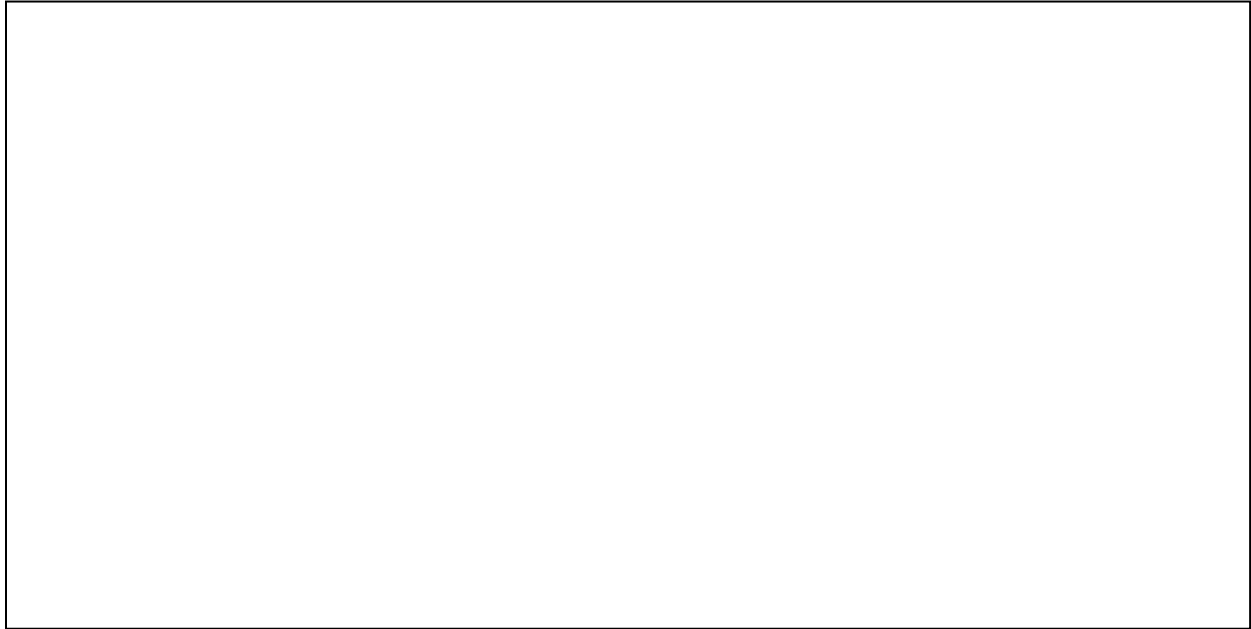


(6) All contracts with consultants must include a **fee retention or penalty clause for poor performance.**

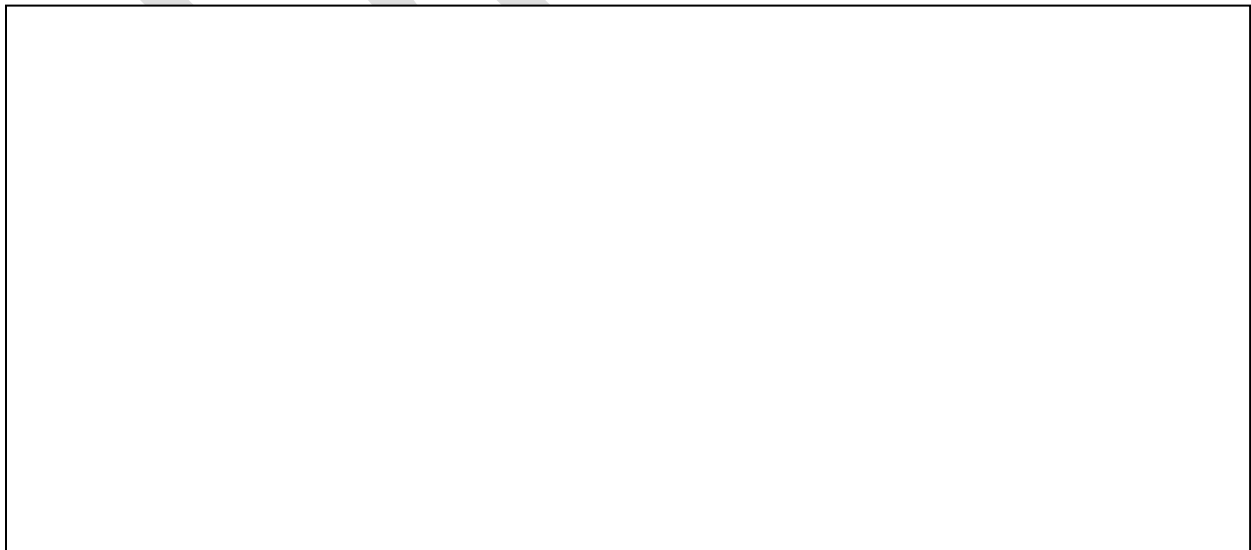
(7) A municipality or municipal entity must ensure that the **specifications and performance are used as a monitoring tool** for the work to be undertaken and are appropriately recorded and monitored.



Monitoring of performance against contracts must also ensure **skills are transferred** to municipal officials, which forms an integral part of the contract or arrangements arising from such contracts. Skills may be transferred through the provision of **workshops or on the job training**.



(8) The **travel and subsistence costs** of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.



\_\_\_\_\_  
NAME OF USER:  
POSITION OF USER:

\_\_\_\_\_  
DATE

<b>SUPPORT ASSESSMENT</b>	
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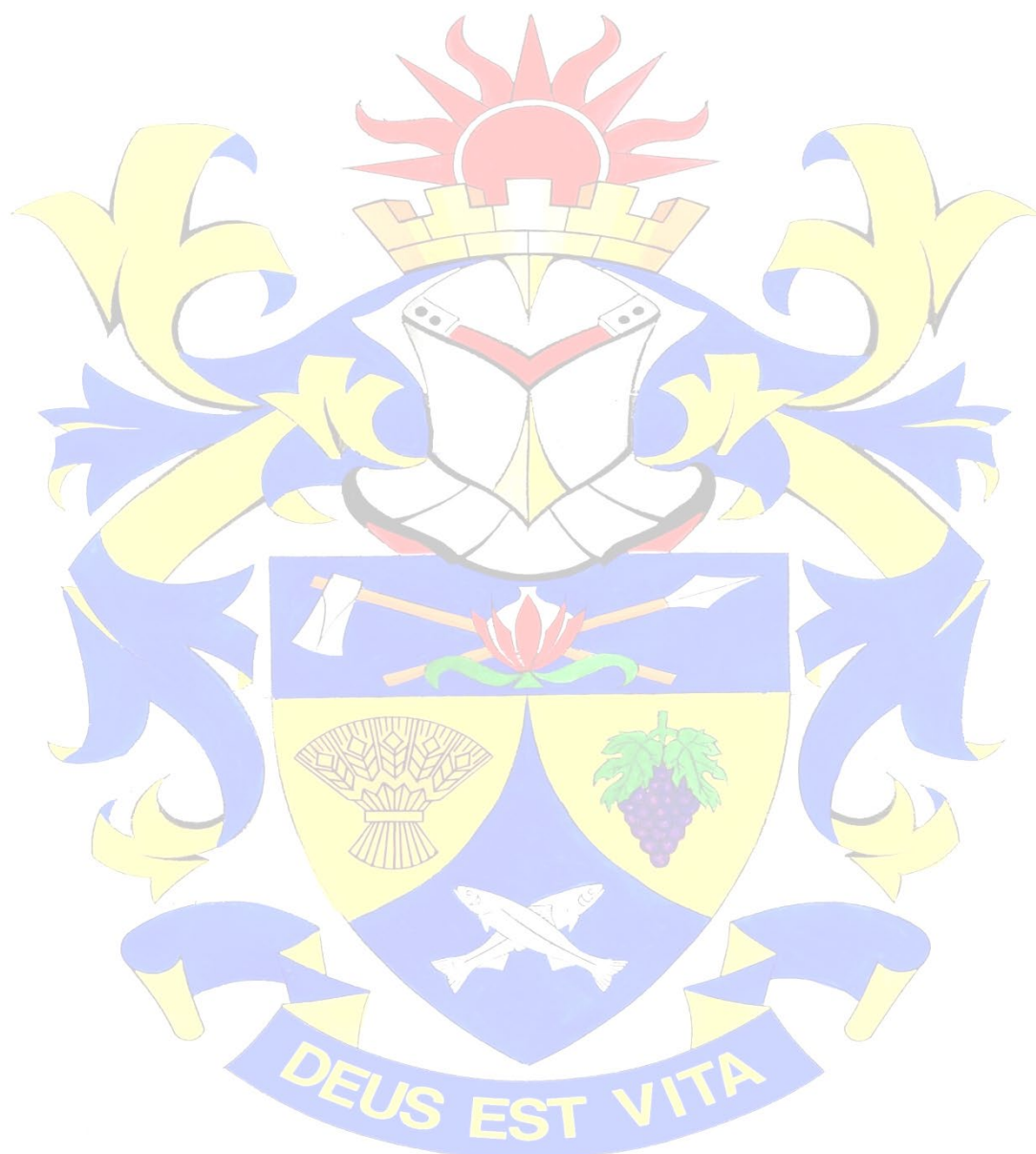
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N BOTHMA  
MANAGER SUPPLY CHAIN AND EXPENDITURE  
BERGRIVIER MUNICIPALITY

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<b>APPROVE ASSESSMENT</b>	
<b>DO NOT APPROVE ASSESSMENT</b>	

\_\_\_\_\_  
ADV H LINDE  
MUNICIPAL MANAGER  
BERGRIVIER MUNICIPALITY

\_\_\_\_\_  
DATE



# BERGRIVIER LOCAL MUNICIPALITY PREFERENTIAL PROCUREMENT POLICY AND LED TARGETS

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## 1 Definitions

In this policy, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Act must bear the meaning so assigned—

**"Acceptable Tender"** mean any tender which, in all respects, complies with the specification and conditions of tender as set out in tender document

**"Black designated groups"** has the meaning assigned to it in the codes of good practice issued in terms of section 9 (1) of the BBEEA.

**"Black people"** has the meaning assigned to it in section 1 of the BBEEA.

**"Designated group"** means black designated groups, black people, women, people with disabilities; or small enterprises which are enterprises, owned, managed, and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid.

**"Disability"** means in respect of a person, a permanent means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

**"EME"** means

(1) exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the BBEEA.

(2) an entity with an annual turnover less than R10 000 00.000 (ten million Rand)

**"Historically disadvantaged individual (HDI)"** means a South African citizen –

(1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983); and / or

(2) who is a female; and / or

(3) who has a disability:

Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI.

**"highest acceptable tender"** means a tender that complies with all specifications and

conditions of tender and that has the highest price compared to other tenders;

**"lowest acceptable tender"** means a tender that complies with all specifications and

conditions of tender and that has lowest price compared to other tenders;

**"Locality"** means the local suppliers and/or service providers that reside within the Municipal area and within the district boundaries.

**"Large Enterprises"** is a company with an annual turnover in excess of R50 million.

**"Local Content"** means that portion of tender price, which is not included in the imported content, provided that local manufacture does take place

**"Market Analysis"** means a technique used to identify market characteristics for specific goods or services

**"National Treasury"** has the meaning assigned to it in section 1 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

**“Proof of B-BBEE status level of contributor”** means the B-BBEE status level certificate issued by an authorized body or person

- 1) a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or
- 2) any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act.

**“Qualifying Small Enterprise (QSE)”** is a company with a turnover between R10 million and R50 million

**“Rand value”** means the total estimated value of a contract in Rand, calculated at the time of the tender invitation;

**“Region”** means the district and/or West Coast District Municipality.

**“Rural area”** means-

- 1) a separately populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; or
- 2) an area including a large settlement which depends on migratory labour and remittances and government social grants for survival and may have a traditional land tenure system.

**“Specific goals”** means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;

**“SMME”** means small, medium and micro enterprises namely Exempted Micro Enterprises and Qualifying Small Enterprises

**“Tender”** means a written offer in the form determined by a Municipality in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

**“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions;

**“The Act”** means the Preferential Procurement Policy Act, 2000 (Act No. 5 of 2000).

**“Youth”** has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

## 2 Introduction

The Constitution of the Republic of South Africa, 1996, provides in sections 152(1)(c) and 152(2) that local government must promote social and economic development and that the municipality must strive within its financial and administrative capacity, to achieve the objects set out in subsection 152(1).

The Constitution provides in section 217 that an organ of state must contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive, and cost effective and to implement a policy to grant preferences within a framework prescribed by National Legislation.

The Broad-Based Black Economic Empowerment Act, 2003 requires: “ (1) Every organ of state and public entity must apply any relevant code of good practice issued in terms of this Act in (b) developing and implementing a preferential procurement policy

The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)-[PPPFA] was promulgated by the Minister in response to the Constitutional provision and allow for a Municipality to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

Section 2 (1) (d) (i) and (ii) of the Preferential Procurement Policy Framework Act, 2000 refers to specific goals which may include:

- (i) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;
- (ii) implementing the programmes of the Reconstruction and Development Programme (RDP) as published in *Government Gazette* 16085 dated 23 November 1994.

The RDP (1994), as basis for development in South Africa, was meant to provide a holistic, integrated, coherent socio-economic policy that is aimed at mobilising people and resources to work towards the upliftment of the material and social conditions of local communities to build sustainable livelihoods for these communities.

In terms of Section 2 (1)(d)(ii), the following activities may be regarded as a contribution towards achieving the goals of the RDP, in addition to the awarding of preference points in favour of HDIs (published in *Government Gazette* No. 16085 dated 23 November 1994):

- (i) The promotion of South African owned enterprises;
- (ii) The promotion of export orientated production to create jobs;
- (iii) The promotion of SMMEs;
- (iv) The creation of new jobs or the intensification of labour absorption;
- (v) The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province;
- (vi) The promotion of enterprises located in a specific region for work to be done or services to be rendered in that region;
- (vii) The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered in that municipal area;
- (viii) The promotion of enterprises located in rural areas;
- (ix) The empowerment of the work force by standardizing the level of skill and knowledge of workers;
- (x) The development of human resources, including by assisting in tertiary and other advanced training programmes, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills; and
- (xi) The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organisations.

### 3 Purpose, and Objectives

- a) The purpose of this policy is to:
  - i) Provide for categories of preference in awarding of bids;
  - ii) Provide for the advancement of persons or categories of persons disadvantaged by unfair discrimination; and
  - iii) Clarify the mechanisms how the above items in par 1.1 (a) (i) and (ii) will be implemented.
- b) Objectives
  - a) Promote Black-Based Black Economic Empowerment (B-BBEE) - enterprises providing services and goods.
  - b) Promote Small Medium and Micro Enterprises (SMME's), Joint Ventures, Consortiums, and partnerships.
  - c) Implement recognised best procurement practises through effective planning, strategic purchasing, and contract management.

The policy rests upon certain core principles of behaviour as set out in the Constitution and ratified by the Constitutional Certification Judgements. In this context, the policy will be applied in accordance with a system, which is fair, equitable, transparent, competitive, and cost-effective in terms of Section 217 of the Constitution.

This policy strives to ensure that the objectives for uniformity in the supply chain management systems between Municipalities/Municipal entities, is not undermined and that consistency with the SCM and LED policies in line with sections 152(1)(c) and 152(2).

The Policy is founded upon the following core principles:

#### 3.1 Value for money

Price alone is often not a reliable indicator, and the AO will not necessarily obtain the best value for money by accepting the lowest price offer that meets mandatory requirements. Best value for money means the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

#### 3.2 Open and effective competition

All procurement laws, policies, practices, and procedures must be readily accessible to all parties involved in the procurement process. The procurement process must be open and transparent, and reasons must be provided for decisions in terms of current legislation.



### 3.3 Ethics and fair dealing

All procurement officials must comply with the municipal ethical standards to promote mutual trust and respect and an environment where business can be conducted in a fair and reasonable manner. The following is regarded as an acceptable ethical behaviour:

- a) Open, honest, and co-operative business relations.
- b) Confidentiality of commercial information.
- c) Avoidance of conflict of interest or a perception of bias.
- d) Disclosure of conflict of interest as soon as they arise.
- e) Fair dealing and impartiality in the conduct of tender evaluations.
- f) Avoidance of combative or collusive practices.

### 3.4 Accountability and reporting

Procurement officials and other officials involved in SCM must be answerable for their decisions and actions to the public.

### 3.5 Equity

Bergvriër Local Municipality will at all times strive to enhance the development of SMME's and B-BBEE enterprises to allow them to contribute meaningfully to the economy of the Bergvriër Municipal Area.

## 4 Application of preference point system

- 4.1 The Municipality will, in the tender documents, stipulate —
  - (a) the preference point system applicable; and
  - (b) any specific goal as envisaged in section 2(1)(d) and (e) of the Preferential Procurement Act.
- 4.2 If it is unclear whether the 80/20 or 90/10 preference point system applies—
  - (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system..

## **5 80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million**

- 5.1 The following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{\min}$  = Price of lowest acceptable tender.

- 5.2 A maximum of 20/10 points may be awarded to a tenderer for the specified goals for the tender.
- 5.3 The points scored for the specific goal must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
- 5.4 Subject to section 2(1)(f) of the Act, the contract must be awarded to the tendering scoring the highest points.

## **6 90/10 preference point system for acquisition of goods or services with Rand value above R50 million**

The following formula must be used to calculate the points out 90 for price in respect of a tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

$P_s$  = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

A maximum of 10/5 points may be awarded to a tenderer for the specified goals for the tender.

The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

## **7 80/20 preference points system for tenders to for income-generating contracts with Rand value equal to or below R50 million**

The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

P<sub>s</sub> = Points scored for price of tender under consideration;

P<sub>t</sub> = Price of tender under consideration; and

P<sub>max</sub> = Price of highest acceptable tender.

A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender, if the tenderer's business is registered in the Bergrivier boundaries.

The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

## 8 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million inclusive of all applicable taxes:

$$P_s = 90 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{max}$  = Price of highest acceptable tender.

A maximum of 5 points may be awarded to a tenderer for the specific goal specified for the tender, if the tenderer's business is registered in the Bergrivier boundaries.

The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

## 9 Specified contract participation goals

The tendering conditions will stipulate the specific goals, as contemplated in section 2(1)(d)(ii) of the Preferential Procurement Act, be attained.

A maximum of 20 points (80/20 preference points system) or 10 (90/10 preference points system), will be allocated for specific goals. These goals are:

- (a) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race or gender ;
- (b) local labour and/ or promotion of enterprises located in the municipal area (phased in approach to be applied for other RDP goals
- (c) Considering all the data available, this Policy for the **2022/2023** financial year will strive to achieve the following targets:

POLICY OBJECTIVE	TARGET
Improve market share of <b>local SMME's</b>	<ul style="list-style-type: none"> <li>➤ By year 2023 the market-share of SMME's to be at least 5% of all municipal procurement.</li> <li>➤ By year 2024 the market-share of SMME's to be at least 10% of all municipal procurement.</li> </ul>

POLICY OBJECTIVE	TARGET
Improve the <b>local economic market [local buying]</b>	<ul style="list-style-type: none"> <li>➤ By year 2023 the market-share of local businesses to be at least 20% of all municipal procurement.</li> <li>➤ By year 2024 the market-share of local businesses to be at least 25% of all municipal procurement</li> </ul>
Employment of <b>local semi-&amp; unskilled workers</b>	<ul style="list-style-type: none"> <li>➤ By year 2024 at least 20% of construction and related sector wage and allowance costs must represent local labour.</li> <li>➤ By year 2025 at least 25% of construction and related sector wage and allowance costs must represent local labour.</li> </ul>
Ensure <b>equitable work distribution</b> in Bergrivier Municipal area.	Develop a rotation mechanism to employ Bergrivier local businesses registered on the Bergrivier Municipality Supplier Database for projects below R 200 000, inclusive of construction related services.

Regarding par 9(a) at least 50% of the 20/10 points will be allocated to promote this goal and points will be allocated in terms of the BBEE scorecard as follows.

B-BBEE Status Level of Contributor	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)
1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant contributor	0	0

A tenderer must submit proof of its BBEE status level contributor [scorecard].

B-BBEE status Level of Contributor	Number of Points for Preference 80/20	Number of Points for Preference (90/10)
1	10	5
2	9	4.5
3	7	3

4	6	2.5
5	4	2
6	3	1.5
7	2	1
8	1	.05
Non-compliant contributor	0	0

A tenderer failing to submit proof of BBBEE status level of contributor – may only score in terms of the 80/90-point formula for price; and

scores 0 points out of 10/5 BBBEE status level of contributor, which is in line with section 2 (1) (d) (i) of the Act, where the supplier or service provider did not provide proof thereof.

Regarding par 9(b) a maximum of 50% of the 20/10 points will be allocated to promote this goal. Points will be allocated as follows :

Locality of supplier/ Local Labour	Points (80/20)	Points (90/10)
Within the boundaries of the municipality	5	3
Within the boundaries of the Western Cape District Municipality	3	1
Within the Western Cape Province	2	1

Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender.

A tenderer failing to submit proof of required evidence to claim preferences for other specified goals, which is in line with section 2 (1) (d) (ii) of the Act.

- (i) may only score in terms of the 80/90-point formula for price; and
- (ii) scores 0 points out of 10 or 5 for the relevant specific goals where the supplier or service provider did not claim.

The preference points scored by a tenderer must be added to the points scored for price.

The points scored must be rounded off to the nearest two decimal places.

The contract must be awarded to the tenderer scoring the highest procurement points. Evidence of residence must be submitted by the Supplier and will be verified by the Bergrivier Municipality.

## **10 Criteria for breaking deadlock in scoring.**

If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.

If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

## **11 Award of contracts to tenderers not scoring highest points**

A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.

## **12 Remedies**

(i) If a Municipality is of the view that a tenderer submitted false information regarding a specific goal, it must—

- a) inform the tenderer; accordingly, and
- b) give the tenderer an opportunity to make representations within 14 calendar days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part—

After considering the representations referred to in par 12 (1)(b), the Municipality may—

(a) if it concludes that such false information was submitted by the tenderer—

- (i) disqualify the tenderer or terminate the contract in whole or in part; and
- (ii) if applicable, claim damages from the tenderer;

## **13 Performance Management**

The specific goals achieved through the application of the Preferential Procurement Framework Act, 2000 will be monitored in terms of the elements embedded in the Supply Chain Management Policy.

## 14 Reporting

The Accounting Officer must align its reporting requirements to the Council as per SCM Regulation 6 to also report on progress with the implementation of this Policy.

## 15 Payment cycles

The payment of invoices is dependent on timely invoicing, approval of invoices and on the payment administration. Responsible officials must process approved invoices within 30 days of receiving the invoice, unless otherwise provided for in the contract.

Reasons for not approving an invoice must be communicated to the tenderer prior to the lapsing of the said 30 days.

Officials must endeavour to, where feasible, process invoices of SMME's within 5-7 working days in order to promote their cash flow position. Invoices must be submitted before 10:00 on a Wednesday, to facilitate timely payment.

- 3) An organ of state which has cancelled a tender invitation as contemplated in sub-regulations (1) and (2) must re-invite tenders and must, in the tender documents, stipulate the preference point system to be applied.
- 4) An organ of state may, prior to the award of a tender, cancel a tender if -
  - a) due to changed circumstances, there is no longer need for the goods or services tendered for; or
  - b) funds are no longer available to cover the total envisaged expenditure; or

## 16 Short title and commencement

This Policy will take effect on 23 January 2023.

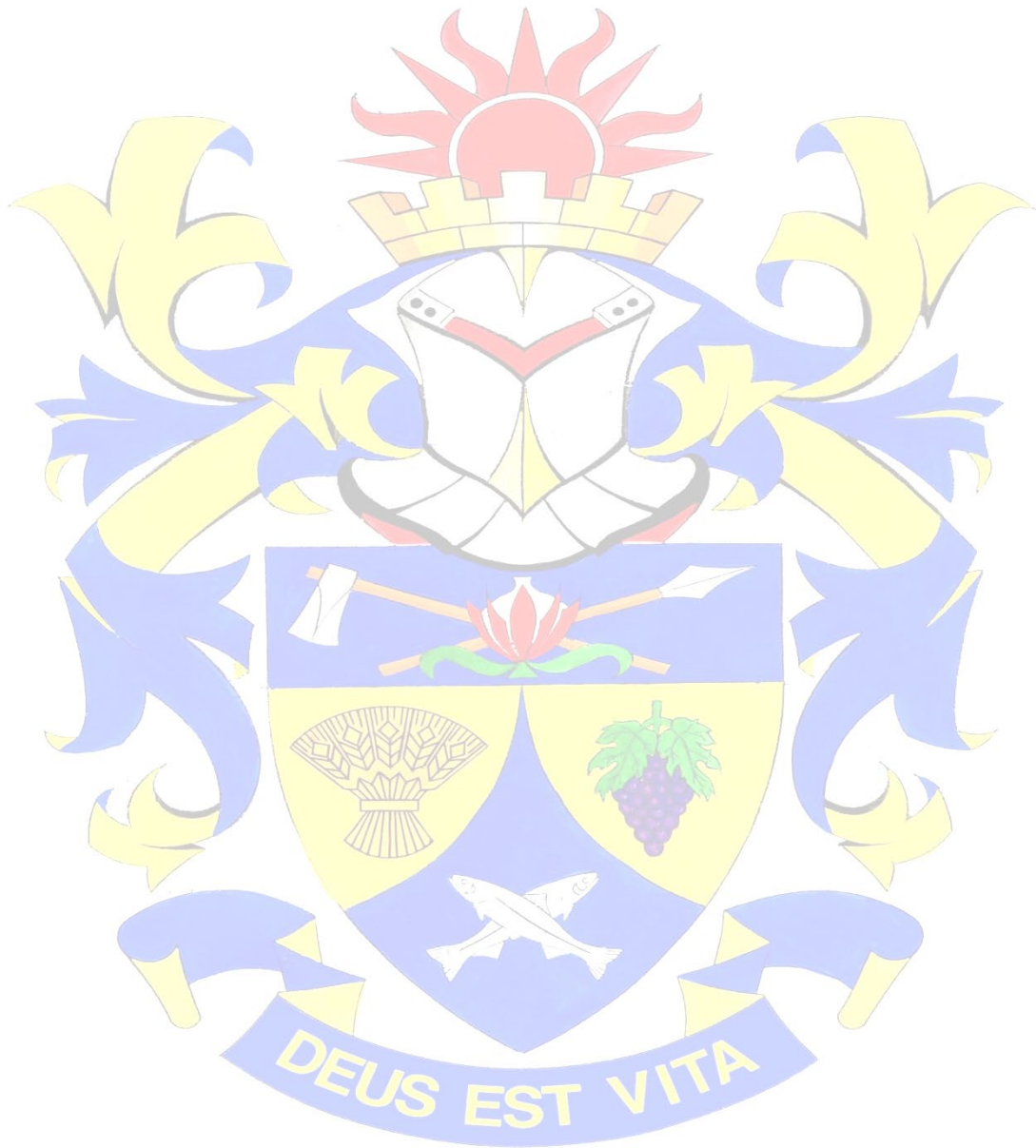
<b>Version</b>	1
<b>Date</b>	29 November 2022



<b>Signature</b>	This document is the Preferential Procurement Policy applicable to Bergrivier Municipality	
	<b>Date:</b>	
<b>Approved by the Council</b>	<b>MUNICIPAL MANAGER</b>	
	<b>Date:</b>	
<b>Effective date</b>	.....	
<b>Next revision date</b>	.....	

DRAFT

**BERGRIVIER MUNICIPALITY**



**DRAFT COMMUNITY UPLIFTMENT POLICY 2022/2023**

# BERGRIVIER MUNICIPALITY

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# **BERGRIVIER MUNICIPALITY**

## **1. INTRODUCTION**

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. Therefore the Bergrivier Municipality adopts the following Community Upliftment policy.

## **2. REGULATORY FRAMEWORK**

- a) The Municipal Finance Management Act (56 of 2003)
- b) Section 15 of the Municipal Supply Chain Regulations.
- c) Treasury regulations in terms of Section 13(1) of the Act.

## **3. OBJECTIVES**

Compliance with the regulatory framework in terms of the relevant legislation is required. The Policy serves as the conduit through the Council aim to facilitate access, create opportunities; develop partnerships, enhance and promote sustainable livelihoods within communities, with due consideration for the natural environment. The Policy forms the basis for engagement with development stakeholders, operationalization of Council approved programmes and support for community involvement.

Notwithstanding geographical locations in Bergrivier Municipality, applicable legislation and financial and operational limitations the Municipality is encouraged to invest in and support locally appropriate community development initiatives. Application of the LED policy and allocation of the annual budget is however limited to Bergrivier Municipality, in alignment with the Broad-Based Black Economic Empowerment ("B-BBEE") Codes of Good Practise (2013) and the Revised Construction Sector Code (2017).

## **4. RESPONSIBILITY AND ACCOUNTABILITY**

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer/Municipal Manager;

- (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.
- (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure:
  - (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
  - (b) that the municipality has and maintains a management, accounting an information system which:

# BERGRIVIER MUNICIPALITY

- (i) recognises expenditure when it is incurred;
  - (ii) accounts for creditors of the municipality; and
  - (iii) accounts for payments made by the municipality;
- (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;
- (d) that payments by the municipality are made;
- (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
  - (ii) either electronically ~~or by way of non-transferable cheques~~, provided that cash payments ~~and payments by way of cash cheques~~ may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer to ensure compliance and adherence to the principles established by this policy.

## 5. COMMUNITY UPLIFTMENT POLICY FRAMEWORK

### Principles

The Community Upliftment policy and programmes is underpinned by the following principles which promotes:

- Transformation, diversity and inclusion of the whole community of Bergrivier Municipality
- Development and responsiveness to local contexts and needs,
- Transparency and accountability towards the Community of Bergrivier Municipality,
- Adherence to relevant legislation, codes of good practice and best practice trends within the MFMA; and
- Delivering on Bergrivier Municipality mandate in a responsible, accountable and sustainable manner to the whole community.

## 6. IMPLEMENTATION OF THE POLICY

This Policy is effective from 1 July 2021.

It is the responsibility of the Office of the Municipal Manager and to bring the content of this Policy to the attention of all parties concerned.

This Policy marks the beginning of a long term path the Bergrivier Municipality intends to walk with the citizens of Bergrivier and that this Policy represents the first phase of implementation. With the increase in maturity of the Bergrivier Municipality as well as its Stakeholders/Community, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Bergrivier.

# BERGRIVIER MUNICIPALITY

The Community Upliftment is operationalised through programmes approved by Council, in consultation with ward committees, with the approval of the annual budget.

The Council may prioritise programmes for education, skills development and support for disadvantage communities, in line with objectives described in both the National Development Plan and the Revised PPPFA (2017).

Funds should be utilised for the whole community and is not allowed to be used for individual persons/households.

## 7. DEFINITIONS

The words in this policy shall bear a meaning as prescribed and/or ascribed by applicable legislation, and in the event of a conflict, the meaning attached thereto by National Legislation shall prevail.

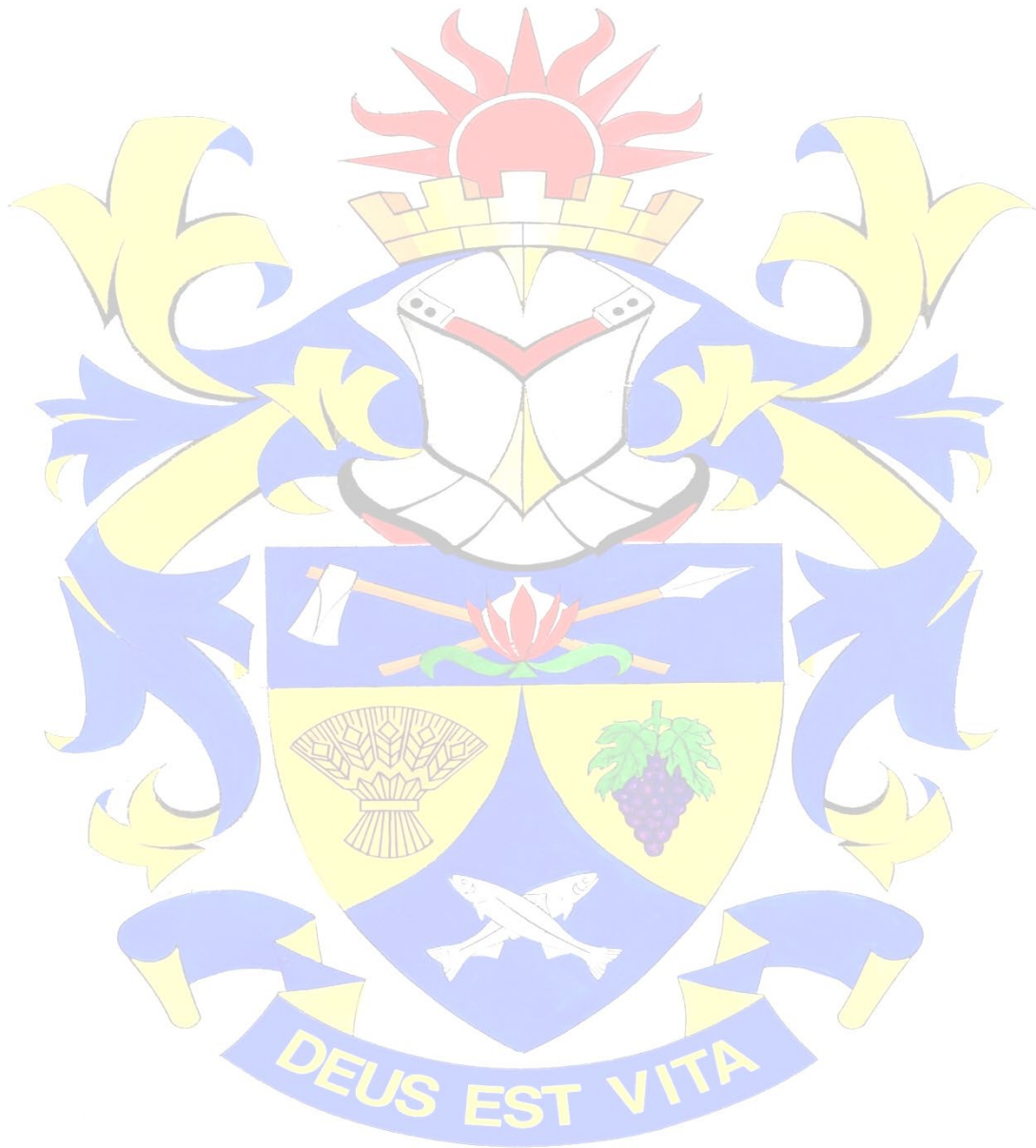
**“Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); and the Municipal Finance Management Act (Act 56 of 2003)

**“Individual”** an individual shall mean a natural person;

**“Person”** includes reference to a juristic person;

**“Community”** all residents of Bergrivier Municipality.

**BERGRIVIER MUNICIPALITY**



**CONSULTANT REDUCTION STRATEGY 2023/2024**

# BERGRIVIER MUNICIPALITY

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# BERGRIVIER MUNICIPALITY

## 1. REGULATORY FRAMEWORK

MFMA	Requirements
<b>Section 62(a)</b>	The accounting officer of a municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.
<b>Section 78(b)</b>	Each Senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure – that the financial and other resources of the municipality are utilized effectively, efficiently, economically and economically.
<b>Municipal Cost Containment Regulation (Reg 5 Read together with MFMA Circular 97)</b>	A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full-time employ to perform the function. (5) When consultants are appointed, an accounting officer must:- (d) ensure the transfer of skills by consultants to the relevant officials of the municipality or municipal entity (f) develop consultancy reduction plans to reduce the reliance on consultants
<b>MCCR – Reg 7</b>	A municipality or municipal entity must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and appropriately recorded and monitored.

## 2. OBJECTIVES

Compliance with the regulatory framework in terms of the relevant legislation is required.

## 3. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager)-

(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—

(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;

(b) that the municipality has and maintains a management, accounting and information system which—

# BERGRIVIER MUNICIPALITY

- (i) recognises expenditure when it is incurred;
- (ii) accounts for creditors of the municipality; and
- (iii) accounts for payments made by the municipality;

(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;

(d) that payments by the municipality are made—

(i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and

(ii) either electronically eft or provided that cash payments and payments by way of cash may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer to ensure compliance and adherence to the principles established by this policy.

## 4. OVERVIEW

<p>Lack of appropriate skills and expertise has become the shorthand for almost everything that is wrong with local government in South Africa (Peters and van Nieuwenhuyzen, 2013). As a result, the “solution” is thus either individual skills enhancement or the deployment of skills to the Municipality, or a combination of both.</p>	<p>Factors impacting on the capacity of the municipality to be self-sufficient and to limit the use of external consultants</p>	
	Human Resources	<p>Organisational structures does not provide for specialists in various fields of local government competencies, High vacancy rate, overtime expenditure and unfunded posts</p>
	Structural responsibilities	<p>Senior Managers overloaded with a lot of responsibilities unable to focus which is exacerbated by administration work. Appointment of incompetent senior managers and staff.</p>
	Budget	<p>High employee costs – exceeding the norm</p>
	Upper limits and task job limits	<p>The upper limits of municipalities remuneration is not market related which results in challenges to attract and retain staff in professional fields.</p>

Justification for the consideration to Use Consultants

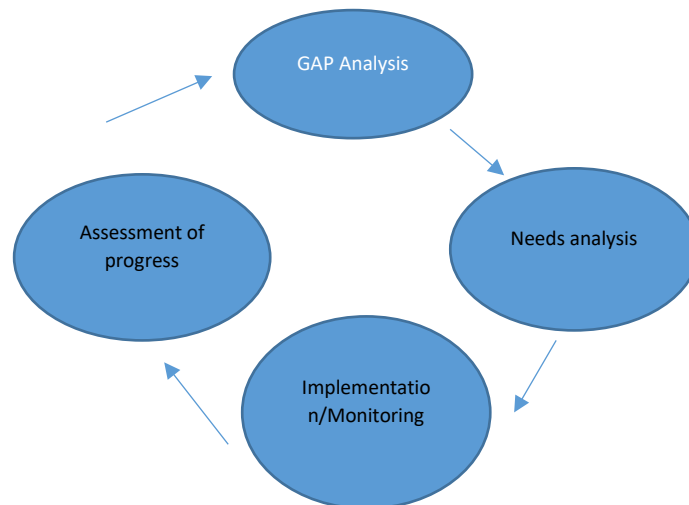
## BERGRIVIER MUNICIPALITY

- i) Outside the “business-as-usual” environment when in-house skills are not available and it will be time-limited,
- ii) Services required to provide additional skills or expertise which are not available within the Bergrivier Municipality, (for example – investigating problems, providing analysis or advice, or assisting with the development of new systems, new structures or new capabilities within the organization and to prepare specifications and manage construction of essential services and works).
- iii) Lack of internal capacity is unavailable to undertake certain professional work that will require a Chartered Accountant to assist the Municipality, if the Municipality does not have a chartered accountant.
- iv) Independence/objectivity is required and cannot be provided within the municipality.

### 5. GAP ANALYSIS

The Municipality is expected to perform a GAP analysis within its structures prior to procuring the services of a consultant.

This analysis assesses the need thereof against the available internal capacity for the specific service required.



The purpose of the GAP Analysis:-

- i) To strengthen the ability of institutions to identify skills shortages and underutilized skills.
- ii) To develop short-medium term plan to address deficiencies.

GAP analysis considerations:-

- i) Cost effectiveness

## BERGRIVIER MUNICIPALITY

The Municipality must analyse the cost-effectiveness of permanent capacity versus making use of consultants, while ensuring continuity and service delivery.

- ii) **Frequency**  
How often does the Institution use the skills required for the tasks performed by external Consultants. The Consultants panel must be rotated constantly.
- iii) **Institution objectives**  
Are the objectives of the Municipality better achieved through the appointment of Consultants or permanent staff.
- iv) **Vacancies**  
The Municipality should consider filling positions or hire a person on a permanent appointment to perform the required task versus the appointment of a Consultant.
- v) **Internal Skills**  
Skills should be transferred if a Consultant is appointed and the municipality has identified a person to whom the skill can be transferred.
- vi) **Appointment process**  
Is there sufficient budget to appoint staff and is the internal process to appoint permanent staff inefficient and ineffective?  
Is there a lack of permanently appointed staff with necessary skills and experience in the institution, which necessitated the appointment of Consultants as a compensating measure.
- vii) **Nature and extent of services**  
The Municipality must analyse the nature and extent of services to be outsourced and whether they are specialized, once-off, temporary services, or services that are of a non-specialized nature?
- viii) **Monitoring and Performance**  
Are Consultants appointed to monitor work of Employees?  
Are Consultants appointed to complete specifications for tenders for which they did not tender?  
Is the Consultant monitored monthly on performance?

## 6. REDUCTION OPTIONS

- 6.1 Where there is a lack of competency to manage, guide or control the utilization of external consultancy collaborate with Provincial and National Government departments for specialized support.
- 6.2 Implement a shared service model within the District for professional services
- 6.3 Annually evaluation of the organizational structure to establish opportunities to extend and fill vacancies and provide for new posts. The Budget Steering Committee should annually during the budgetary process consider the annual management report on the appointment of consultants in order to decide on replacing consultants with full time staff.

# BERGRIVIER MUNICIPALITY

## 7. KEY ELEMENTS OF A CONSULTANT REDUCTION PLAN

- 7.1 The Municipality must have:-
  - 7.1.1 A training plan.
  - 7.1.2 How performance will be monitored and evaluated
  - 7.1.3 Skills transfer resource allocation
  - 7.1.4 Employee retention strategies and succession plans
  - 7.1.5 Budget component
  - 7.1.6 Expected Outputs
- 7.2 Monitoring and Evaluation – Planning –
  - 7.2.1 Set specific milestones (Regulation 5b)  
Proper contract administration must be provided for setting proper milestones, performance targets, monitoring systems and roles and responsibilities by the Municipality.
  - 7.2.2 Budget (Regulation 5c)  
The cost of the travel and subsistence and disbursements must be included in the budget provision before appointment of the Consultant.
  - 7.2.3 Transfer of skills (regulation 5d)  
Skill transfer must be included in the requirement with appointment.
  - 7.2.4 Time and Cost  
The appointment must be done on a time and cost per hour basis or for the total project. The project must always state the start and end date of the project.
  - 7.2.5 Penalty Clauses (Regulation 6)  
Penalty clauses must be included in the Service Level Agreement.
  - 7.2.6 Rates Charged (regulation 3)  
The remuneration will not exceed the gazetted rates.
  - 7.2.7 The Municipality must ensure that deliverables are clear, specific and measurable to easily measure the project outcomes and to ensure that the Municipality receives value for money.

## 8. IMPLEMENTATION OF THE PLAN

- 8.1 The Cost containment Policy of Council must be implemented and the forms attached to the policy must be used for each Consultant.
- 8.2 The GAP analysis must be performed before an appointment can be made
- 8.3 A service level agreement must be developed after the appointment of the Consultant.
- 8.4 Non-adherence to the plan can lead to disciplinary action.
- 8.5 Monthly the evaluation form that was developed must be completed by the Project Manager.
- 8.6 All evidence must be filled electronically for audit purposes.

# **BERGRIVIER LOCAL MUNICIPALITY**



Draft Policy and Procedure – Unauthorised, Irregular,  
Fruitless and Wasteful Expenditure Policy – January 2022

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## 1. POLICY TITLE

### UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE POLICY

## 2. PURPOSE

1.1 The purpose of this policy is to define and regulate unauthorised, irregular or fruitless and wasteful expenditure. The aim is to prevent unauthorised, irregular or fruitless and wasteful expenditure; to identify and investigate unauthorised, irregular or fruitless and wasteful expenditure; to respond appropriately in accordance with the law and to address instances of unauthorised, irregular or fruitless and wasteful expenditure conclusively.

1.2 In terms of section 4(2)(a) of the Municipal Systems Act (MSA) the Council has a duty to use the resources of the municipality in the best interest of the local community. This duty is extended to individual Councillors through the Code of Conduct for Councillors which states that a Councillor must:

- (a) “perform the functions of office in good faith, honestly and in a transparent manner; and
- (b) “at all times act in the best interests of the community and in such a way that the credibility and integrity of the municipality are not compromised.”

## 3. DEFINITIONS

In this Policy, unless the context otherwise indicates:

- (a) “**Allocation**”, in relation to a municipality, means –
  - i. a municipality’s share of the local government’s equitable share referred to in section 214(1)(a) of the Constitution;
  - ii. an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution;
  - iii. an allocation of money to a municipality in terms of a provincial budget; or
  - iv. any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;
- (b) “**BM**”, means Bergrivier Local Municipality.
- (c) “**CFO**”, means Chief Financial Officer.



- (d) **“Fruitless and wasteful expenditure”** means expenditure that was made in vain and could have been avoided had reasonable care been exercised. *The phrase “made in vain” indicates that the municipality derived no value for money from the expenditure or the use of other resources.* Fruitless and wasteful expenditure must fulfil both the conditions in the definition, namely, that it was made in vain and it would have been avoided had reasonable care been exercised.
- (e) **“IDP”**, means Integrated Development Plan
- (f) **“Irregular expenditure”**, in relation to a municipality or municipal entity, means:
- i. expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA, and which has not been condoned in terms of section 170;
  - ii. expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
  - iii. expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
  - iv. expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”.
- (g) **“MBRR”**, means Municipal Budget and Reporting Regulations.
- (h) **“MFMA”**, means Municipal Financial Management Act.
- (i) **“Overspending”** –
- i. In relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during financial year to exceed the total amount appropriated in that year’s budget for its operational or capital expenditure as the case may be;
  - ii. In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
  - iii. In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section.
- (j) **“Policy”**, means a guide or framework enabling a municipality to achieve its objectives in the interest of the community. It is a basic principle by which a municipality is guided.

- (k) **“SFA”**, means strategic focus areas.
- (l) **“Unauthorised expenditure”**, in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes –
- i. overspending of the total amount appropriated in the municipality’s approved budget;
  - ii. overspending of the total amount appropriated for a vote in the approved budget;
  - iii. expenditure from a vote unrelated to the department or functional area covered by the vote;
  - iv. expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
  - v. spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” in the MFMA otherwise than in accordance with any conditions of the allocation; or a grant by the municipality otherwise than in accordance with the MFMA.
- (m) **“Vote” means** – One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different department or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.
- (n) **UIF&W**, means Unauthorised, Irregular, Fruitless and Wasteful Expenditure

#### 4. STRATEGIC INTENT

The strategic focus areas (SFA) of the BERGRIVIER Municipality are enshrined in the Bergrivier Municipalities Integrated Development Plan (IDP). This policy supports the following strategic focus areas.

- a. Opportunity Bergrivier Municipality  
Provide and maintain economic and social infrastructure to ensure infrastructure-led growth and development.
- b. Well-run Bergrivier Municipality  
Ensure financial prudence, with clean audits by the Auditor General.
- c. The underlying tenets of the Well-run Bergrivier Municipality are the principles of openness and due process. A well-run Bergrivier Municipality is the guarantor of all other government programmes. Citizens need to know that the government works for them, is accountable to them and answers to them at all times. Governments manage public resources and programmes, and as such, they must be constantly scrutinised in public to ensure responsible management.

## **5. LEGAL MANDATES AND REGULATORY FRAMEWORK**

The following Laws and regulations, amongst others, inform this policy:

- a. Section 29 and Section 32 of the MFMA
- b. Sections 170 and 173 of the MFMA
- c. Regulations 23 and 74 of the NT Municipal Budget and Reporting Regulations
- d. Relevant GRAP standards
- e. MFMA Circular 68 of 2013

## **6. STRATEGIC POLICY OBJECTIVES**

It is the strategic objectives of the policy to inter-alia achieve the following in respect of the administration of Bergrivier Municipality:

- a. Emphasizing the accountability of employees;
- b. Ensuring that employees have a clear and comprehensive understanding of the procedures they must follow when dealing with unauthorised, irregular or fruitless and wasteful expenditure;
- c. Ensuring that resources made available to employees are utilized efficiently, effectively, economically and for authorized official purposes;
- d. Ensuring that the Municipality's resources are managed in compliance with the MFMA, the Municipal Budget and Reporting Regulations and other relevant legislation; and
- e. Ensure that unauthorised, irregular or fruitless and wasteful expenditure is prevented, detected, processed, recorded, and reported timeously.

## **7. SCOPE OF THE POLICY**

From a responsibility perspective, this policy is relevant to all employees and office bearers of the Municipality, whether full-time or part-time. It is, however, specifically applicable to the Council, Accounting Officer, Chief Financial Officer, Senior Managers, Officials and all employees with financial and fiduciary responsibilities, in particular, the aforementioned have a responsibility and have significant roles in:

- a. Identifying the identity of the person who is liable for unauthorised, irregular or fruitless and wasteful expenditure.
- b. Deciding on how to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure.
- c. Determining the amount of unauthorised, irregular or fruitless and wasteful expenditure to be recovered, written off or provided for.

## **8. ROLES AND RESPONSIBILITIES**

- a. The Accounting Officer; the MFMA outlines the responsibilities of the Accounting Officer which include amongst others:
  - i. To exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure and must for this purpose implement effective, efficient and transparent processes of financial and risk management.
  - ii. To inform, in writing the Mayor, Section 32 Committee and Council, as the case may be, if a decision is taken which, if implemented, is likely to result in unauthorised, irregular fruitless and wasteful expenditure.
  - iii. On discovery of any unauthorised, irregular fruitless and wasteful expenditure to report promptly in writing, the particulars of the expenditure to the Mayoral Committee.
  - iv. In addition to the responsibilities set out in the MFMA, the Accounting Officer must annually facilitate the revision of the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy;
  - v. Communicate and make this Policy accessible to all relevant stakeholders;
  - vi. Monitor and regularly report on the impact of the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy.
  - vii. The Accounting Officer is also responsible for the interpretation and administration of the. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy.
- b. Senior Management of the municipality have the following responsibilities in accordance with Section 78(1)(c) of the MFMA:
  - i. To prevent any unauthorised, irregular or fruitless and wasteful expenditure.
  - ii. In addition to the MFMA responsibilities, a Senior Manager and all officials tasked with financial responsibilities must communicate the contents of this policy to subordinate staff and ensure compliance therewith.
  - iii. Develop and enhance internal control measures on an ongoing basis to reduce the likelihood of UIF&W expenditure from being incurred.
  - iv. Senior and other Managers with financial responsibilities, must report all instances of UIF&W expenditure to the Accounting Officer without delay.
- c. Council and Public Office Bearers have the following responsibilities:
  - i. Councillors are required to familiarize themselves with this Policy's contents, make their constituencies aware of it and oversee its implementation by the officials and;
  - ii. To prevent any unauthorised, irregular or fruitless and wasteful expenditure.
  - iii. To approve and adopt the Unauthorized, irregular, fruitless and wasteful expenditure Policy.
  - iv. To comply with the contents of this policy.

## **9. DEALING WITH UNAUTHORISED EXPENDITURE**

Essentially, “unauthorised expenditure” includes overspending on the total amount of the budget, overspending on a vote, the incurring of expenditure unrelated to a vote and the incurring of expenditure for a purpose other than the approved purpose.

A Directorate becoming aware of the need to incur unforeseen or unavoidable expenditure must immediately approach the Chief Financial Officer (CFO) with full details on the expenditure, providing information on the consequences of not incurring the expenditure as well as an indication of the expected cost (both for the current year as well as any recurring cost resulting from the event).

The following principles needs to be applied:

### **Principle 1: Confirmation of expenditure**

Confirmation that the expenditure does not constitute expenditure that may not be allowed by the Executive Mayor as per section 72(2) of the Municipal Budget and Reporting Regulations (MBRR) must be given by the directorate when approaching the CFO.

### **Principle 2: Virement funds**

The CFO will determine whether the cost cannot be dealt with through a process of virementing of funds within the relevant votes, if sufficient funds are available for shifting within the vote.

### **Principle 3: Approval of expenditure**

Once the Municipal Manager has granted approval, the relevant Director will be required to submit a report to the Executive Mayor requesting approval. If approval is granted, the adjustment will be effected on the financial system of the municipality.

### **Principle 4: Delays**

The abovementioned process must be dealt with as a priority in order to ensure that administrative delays do not exacerbate the situation.

### **Principle 5: Submission of budget requests**

A request for incorporation in an adjustment budget must be made from the relevant Department to the Budget office for incorporating the expenditure approved by the Mayor within 60 days from date of approval as per Section 28 of the MFMA.

a. Role players - The role players and stakeholders who will ensure that unauthorised, irregular, fruitless and wasteful expenditure is being dealt with according to legislative requirements and council processes are:

- i. The respective directorate / department who is responsible for preparing a report on the unforeseen and unavoidable expenditure when such expenditure occurs.
- ii. The Supply Chain Section/the legal department) who is responsible for reviewing the report in order to confirm legal compliance.
- iii. The Budget department who is responsible for confirming the financial implications.
- iv. The Mayor who is responsible for reviewing, approving and tabling the report at Council for noting.

b. Regulatory context and directive

Unforeseen and unavoidable expenditure (MFMA Section 29). The Mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

Any such expenditure;

- i. Must be in accordance with any framework that may be prescribed;
- ii. May not exceed a prescribed percentage of the approval annual budget;
- iii. Must be reported by the mayor to the municipal council at its next meetings; and
- iv. Must be appropriated in an adjustment budget.

If such adjustment budget is not passed within 60 days after the expenditure was incurred, the expenditure is unauthorised and Section 32 of the MFMA applies.

Authorization of unforeseen and unavoidable expenditure (MBRR Section 71);

The mayor may authorize expenditure in terms of section 29 of the Act only if:

- i. The expenditure could not have been foreseen at the time the annual budget of the municipality was passed; and
- ii. The delay that will be caused pending approval of an adjustment budget by the municipal council in terms of section 28(2)(c) of the Act to authorize the expenditure may –
  - cause a disruption or suspension or serious threat to the continuation of municipal services.
  - lead to loss of life or serious injury or significant damage to property.
  - obstruct the municipality from instituting or defending legal proceedings on an urgent basis.
  - result in significant financial loss for the Municipality.

The mayor of a municipality may not authorize expenditure in terms of section 29 of the Act if the expenditure:

- i. was considered by the council, but not approved in the annual budget of the municipality or an adjustments budget;
- ii. is required for:
  - price increases of goods or services during the year;
  - new municipal services or functions during the financial year;

- the extension of existing municipal services or functions during the financial year;
  - the appointment of personnel during the financial year; or
  - allocating discretionary appropriations to any vote during the financial year or
- iii. would contravene any existing council policy; or
  - iv. is intended to ratify irregular or fruitless and wasteful expenditure

c. Monetary limits on unforeseen and unavoidable expenditure, MBRR, Regulation 72

- i. The amount of expenditure that the executive mayor of a municipality may authorize in terms of section 29 of the Act is limited to –
- ii. 5% of the municipality's own revenue in the case of a municipality with approved total revenue in its current annual budget not exceeding R250 million;
- iii. the greater of R5 million or 4% of the municipality's own revenue in the case of a municipality with approved total revenue in its current annual budget greater than R250 million but not exceeding R500 million; and
- iv. R15 million in the case of a municipality with approved total revenue in its current annual budget greater than R500 million.

d. Process to deal with unauthorised expenditure

- i. Any employee who becomes aware of, or suspects the occurrence of unauthorised expenditure must immediately report, in writing, such expenditure to the Accounting Officer or his/her delegate.
- ii. On discovery of alleged unauthorised expenditure, such expenditure must be left in the account i.e. relevant vote and the Accounting Officer or his/her delegate should record the details of the expenditure in an unauthorised expenditure register. (Attached as "Annexure A".)
- iii. The accounting officer or his/her delegate must investigate the alleged unauthorised expenditure to determine whether the expenditure meets the definition of unauthorised expenditure.
- iv. During the period of investigation, the expenditure must remain in the expenditure account. The results of the investigation will determine the appropriate action to be taken regarding the expenditure.
- v. Should the investigation reveal that the expenditure is in fact valid expenditure and therefore does not constitute unauthorised expenditure the details of the expenditure should be retained in the register for completeness purposes (and to provide an appropriate audit trail). The register must then be updated to reflect the outcome of the investigation.

- vi. If the investigation indicates that the expenditure is in fact unauthorised expenditure the Accounting Officer must immediately report, in writing, the particulars of the expenditure to the Mayor.
- vii. If Council subsequently authorises the unauthorised expenditure, the municipality requires no further action as the amount has already been expensed in the statement of financial performance. The register should be updated to reflect the fact that the unauthorised expenditure was condoned.
- viii. If however, the Council does not authorise the amount, the accounting officer must take effective and appropriate action to recover the amount from the responsible person.

e. Process to authorise unauthorised expenditure

In considering approval of unauthorised expenditure, Council must consider the following factors:

- i. Has the matter been referred to Council for a determination and decision?
- ii. Has the nature, extent, grounds and value of the unauthorised expenditure been submitted to Council?
- iii. Has the incident been referred to a Council committee for investigation and recommendations?
- iv. Has it been established whether the accounting officer or official or public office bearer that made, permitted or authorized the unauthorised expenditure acted deliberately or in a negligent or grossly negligent manner?
- v. Has the accounting officer informed Council, the mayor or the Section 32 committee that a particular decision would result in an unauthorised expenditure as per section 32(3) of the MFMA?
- vi. Are there good grounds shown as to why an unauthorised expenditure should be approved? For example:
  - the mayor, accounting officer or official was acting in the best interests of the municipality and the local community by making and permitting unauthorised expenditure;
  - the mayor, accounting officer or official was acting in good faith when making and permitting unauthorised expenditure; and
  - the municipality has not suffered any material loss as a result of the action.

In these instances, the Council may authorize the unauthorised expenditure. If unauthorised expenditure is approved by Council, there would be no further consequences for the political office-bearers or officials involved in the decision to incur the expenditure.

vii. Adjustments budgets to approve unauthorised expenditure:



Council may only approve unauthorized expenditure in an adjustments budget.

This can be addressed in three different adjustments budgets as follows:

1) Adjustments budget for unforeseen and unavoidable expenditure:

An adjustments budget to allow Council to provide ex post authorization for unforeseen and unavoidable expenditure that was authorized by the mayor in terms of section 29 of the MFMA must be tabled in Council at the “first available opportunity” or within the 60 days after the expenditure was made. Should either of these timeframes be missed, the unforeseen and unavoidable expenditure must be treated in the same manner as any other type of unauthorised expenditure, and may still be authorized in one of the other adjustments budgets process described below.

2) Main adjustments budget:

Council may approve unauthorized expenditure in the adjustments budget which may be tabled in Council “at any time after the mid-year budget and performance assessment has been tabled in the Council, but not later than 28 February of the current year”. Where unauthorised expenditure from this period is not identified or investigated in time to include in this adjustments budget, it must be held over to the following adjustments budget process noted below.

3) Special adjustments budget to approve unauthorized expenditure:

Council may approve unauthorized expenditure in a special adjustments budget tabled in Council when the mayor tables the annual report. This special adjustments budget “may only deal with unauthorised expenditure from the previous financial year which the Council is being requested to authorize in terms of section 32(2)(a)(i) of the Act.”

f. Recovery of Unauthorised expenditure

All instances of unauthorised expenditure must be recovered from the liable official or political office-bearer, unless the unauthorised expenditure has been authorized by Council in an adjustment budget.

- i. The Accounting Officer (or his/her delegate) must determine who the responsible party is from whom the amount should be recovered. This information would normally become evident while performing the investigation.
- ii. The Accounting Officer (or his/her delegate) must in writing request that the liable official or political office-bearer to pay the amount relating to such unauthorised expenditure within 30 days. If the person/s fails to comply with the request, the matter may be handed to the municipality’s legal division for the recovery of the debt through normal debt collection process

## 10. DEALING WITH IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is incurred and is in contravention with the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Remuneration of Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy or system of Delegation.

### a. Categories of irregular expenditure

In considering irregular expenditure, it is important to take note of the following categories of Irregular expenditure:

- i. Irregular Expenditure incurred as a result of a non-compliance with a Treasury regulation, the MFMA and the Supply Chain Management Policy.

Example:

Procuring of goods or services by means of quotations where the value of the goods/services exceed the set threshold as determined in the SCM policy for a specific procurement process to be followed. i.e. a written quotation process was followed instead of a formal quotation process.

- ii. Irregular Expenditure incurred as a result of procuring goods or services by means of other than through competitive bids where the reason for deviating from the prescribed processes have not been recorded or approved in terms of section 17 of the SCM regulations.
- iii. Irregular Expenditure resulting from non-adherence to the delegation of authority as approved, i.e. a procurement process was signed off by the incorrect level of authority.
- iv. Irregular Expenditure incurred as a result of expenditure outside contracts or contracts expired and not renewed or extended in terms of MFMA section 116.

### b. Procedures for dealing with and the condonation of irregular expenditure.

As part of the enclosed procedures (Annexure B), provision is made for accounting officers to forward submissions to the Provincial Treasury or the relevant authority to request condonation for non-compliance with the MFMA or other legislation respectively. The treasury to which the submission must be forwarded will depend on the provision that was contravened. It must, however, be emphasized that submissions requesting condonation for non-compliance must contain detailed motivation as to why the irregular expenditure in question

should be considered for condonation, together with steps that have been taken to avoid a recurrence of this type of irregular expenditure.

- i. Any employee who becomes aware of, or suspects the occurrence of irregular expenditure must immediately report, in writing, such expenditure to the Accounting Officer or his/her delegated authority.
- ii. On discovery of the alleged irregular expenditure, such expenditure must be left in the account i.e. relevant vote and the Accounting Officer or his/her delegate should record the details of the expenditure in an irregular expenditure register. (Attached as "Annexure A".)
- iii. The accounting officer or his/her delegate must investigate the alleged irregular expenditure to determine whether the expenditure meets the definition of irregular expenditure.
- iv. During the period of investigation, the expenditure must remain in the expenditure account. The results of the investigation will determine the appropriate action to be taken regarding the expenditure.
- v. During the investigation, consideration must be given to the following:
  - Has anyone been prejudiced through the incurrence of the expenditure
  - Was there an intent to circumvent specific SCM processes
  - Has anyone received an unfair advantage or benefit from the procurement of the goods or services.
  - Was there negligence from any official in the process
  - Did the municipality receive value for money in the procurement
- vi. Should the investigation reveal that the expenditure is in fact not irregular by nature, the expenditure should be retained in the register for completeness purposes (and to provide an appropriate audit trail). The register must then be updated to reflect the outcome of the investigation. The expenditure will not be disclosed as irregular once the investigation has concluded that it was in fact a regular procurement.
- vii. If the investigation indicates that the expenditure is in fact irregular expenditure the Accounting Officer must immediately report, in writing, the particulars of the expenditure to the Mayor.
- viii. If Council subsequently writes off the expenditure, the municipality requires no further action as the amount has already been expensed in the statement of financial performance. The register should be updated to reflect the fact that the irregular expenditure was written off.
- ix. If however, the Council does not write off the amount, the accounting officer must take effective and appropriate action to recover the amount from the responsible person.

- x. The register must be updated to reflect that the irregular expenditure was written off and the notes to the annual financial statements must also be updated to reflect the writing off of the irregular expenditure.
  - xi. In instances where approval is not granted for the writing off of irregular expenditure, immediate steps must be taken to recover such expenditure from the relevant person, if he/she is liable in law.
- c. Recovery of Irregular expenditure

All instances of irregular expenditure must be recovered from the liable official or political office-bearer, unless the irregular expenditure has been certified by the Municipal Council as irrecoverable, and that no official or office bearer can be held liable, and the Council has granted approval for it to be written off.

- i. The Accounting Officer (or his/her delegate) must determine who the responsible party is from whom the amount should be recovered. This information would normally become evident while performing the investigation.
- ii. The Accounting Officer (or his/her delegate) must in writing request that the liable official or political office-bearer to pay the amount relating to such irregular expenditure within 30 days. If the person/s fails to comply with the request, the matter must be dealt with by means of normal debt collection procedures.

## **11. DEALING WITH FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure can arise from a range of events, activities and actions varying from a simple oversight in performing an administrative task to a deliberate and/or an intentional transgression of relevant laws and regulations.

It is of essence to consider the definition of “Fruitless and Wasteful Expenditure” when a conclusion is made whether the expenditure can be regarded as such.

Fruitless and wasteful expenditure is defined as expenditure made in vain and which could have been avoided, had reasonable care been taken.

It seems that the most logical approach to address whether or not expenditure can be classified as fruitless and wasteful expenditure is to ask a few elementary questions prior to the spending of municipal funds such as:

- a. Determining whether the expenditure meets the definition of fruitless and wasteful expenditure;

- i. Did the intended spending relate to the formal powers of the municipality?  
A municipality may perform only those functions and powers conferred to it by the Constitution and relevant legislation. Any expenditure incurred relating to an Act or any action conducted or exercised outside those functions and powers will result in fruitless and wasteful expenditure notwithstanding whether sufficient provision has been made on the budget and correct procedures were followed in incurring the expenditure.
- ii. Would the expenditure further the interest of the municipality?  
The expenditure incurred to obtain a service, inventory, and asset or to render a service, etc. must have been necessary and ideally unavoidable to enable the Municipality to exercise its functions and powers in accordance with the relevant legislation.
- iii. Was it essential to incur the intended expenditure?  
It is of paramount importance to incur expenditure only when it is really necessary or essential for purposes as mentioned above. One should be satisfied that non incurrence of such expenditure will have a negative impact on the lawful activities of the Municipality.
- iv. Was any other option perhaps available to prevent the intended expenditure or to reduce it?  
This question overlaps to some extent with question above but it is more specific in the sense that it put pressure on the Municipality to apply its mind and to consider all possible options. Should it appear after the expenditure has been incurred that a more effective and perhaps a less expensive option was at the disposal of the Municipality but that it was ignored or disregarded without good cause the expense will be regarded as fruitless and wasteful.

b. Process to deal with fruitless and wasteful expenditure

- i. Any official who becomes aware of or suspects the occurrence of fruitless and wasteful expenditure should immediately report in writing, the particulars of such expenditure which are within his or her knowledge, to the Accounting Officer or his or her delegate;
- ii. Once the Accounting Officer or his or her delegate has received the report alleging the occurrence of fruitless and wasteful expenditure, the details of such expenditure must be recorded in a register for irregular or fruitless and wasteful expenditure.
- iii. The Accounting Officer or his or her delegate should investigate the alleged fruitless and wasteful expenditure to determine whether the expenditure meets the definition of irregular or fruitless and wasteful expenditure;
- iv. For accounting records purposes, during the investigation, the expenditure must remain in the expense account i.e. the vote of the department within

the municipality. The results of the investigation will determine the appropriate action to be taken regarding such expenditure. Should the investigation reveal that the expenditure is not fruitless and wasteful expenditure as defined; the details of the expenditure should be retained in the register for record purposes and to provide a full audit trail. The register must be updated to reflect the outcome of the investigation. The accounting records will not disclose any record of the transaction if the investigation finds that the expenditure was not fruitless and wasteful by nature.

- v. Should the investigation reveal that the expenditure is fruitless and wasteful expenditure as defined above, the Accounting Officer must immediately report, in writing, the particulars of such expenditure to the Mayor. The register must be updated to reflect the outcome of the investigation;
  - vi. The Accounting Officer must also include the expenditure in the relevant department's monthly revenue and expenditure report submitted to Council in terms of the MFMA; and
  - vii. For accounting records purposes, the fruitless and wasteful expenditure must be treated as an asset (debtor) in the books of the municipality until such time as the expenditure is recovered from the responsible person or certified by Council as irrecoverable and written off in the Annual Financial Statements.
- c. Recovery of fruitless expenditure

All instances of fruitless and wasteful expenditure must be recovered from the liable official or political office-bearer, unless the expenditure has been certified by the Municipal Council as irrecoverable, and that no official or office bearer can be held liable, and the Council has granted approval for it to be written off.

- i. The Accounting Officer (or his/her delegate) must determine who the responsible party is from whom the amount should be recovered. This information would normally become evident while performing the investigation and a subsequent disciplinary process where applicable.
- ii. The Accounting Officer (or his/her delegate) must request in writing that the liable official or political office-bearer to pay the amount relating to such fruitless and wasteful expenditure within 30 days. If the person/s fails to comply with the request, the matter must dealt with by means of normal debt collection procedures.

## **12. ROLE OF THE COUNCIL INVESTIGATION COMMITTEE**

In terms of section 74 of the Municipal Budget and Reporting Regulations contained in Government Notice 393 of 17 April, 2009, a Council committee

appointed to investigate the recoverability of any unauthorised, irregular or fruitless and wasteful expenditure must consider:

- i. the measures already taken to recover such expenditure;
- ii. the cost of the measures already taken to recover such expenditure;
- iii. the estimated cost and likely benefit of further measures that can be taken to recover such expenditure; and
- iv. submit a motivation explaining its recommendation to the Council for a final decision.

The accounting officer must provide the committee concerned with such information it may require for the purpose of conducting a proper investigation.

The committee cannot finally dispose of any matter referred to it and it must therefore provide the Municipal Council with a clear recommendation of how to finally deal with the matter brought before it. Council should consider the matter and resolve to either authorise unauthorised expenditure or write-off irregular or fruitless and wasteful expenditure.

### **13. INVESTIGATION AND DISCIPLINARY ACTION**

In terms of sections 172 and 173 of the MFMA, an Accounting Officer is guilty of financial misconduct and an offence respectively if he or she:

- a) wilfully or negligently fails to take effective and appropriate steps to prevent unauthorised, irregular or fruitless and wasteful expenditure as required by the MFMA;
- b) fails to take effective and appropriate disciplinary steps against an official in the department who makes or permits unauthorised, irregular or fruitless and wasteful expenditure; and
- c) Fails to report unauthorised, irregular or fruitless and wasteful expenditure in terms of the MFMA.

As soon as the accounting officer becomes aware of an allegation of financial misconduct against an official, the Accounting Officer has a responsibility to ensure that the Mayor initiates an investigation into the matter and if the allegations are confirmed, holds a disciplinary hearing in accordance with the prescripts of the applicable legislation.

In terms of section 172 of the MFMA, an official of a department to whom a duty or power has been assigned commits an act of financial misconduct if that official will fully or negligently fails to perform that duty or exercise that power in line with applicable legislation.

In terms of the MFMA, the accounting officer must take appropriate and effective disciplinary steps against an official who makes or permits unauthorised, irregular or fruitless and wasteful expenditure.

When an accounting officer determines the appropriateness of disciplinary steps against an official in terms of applicable legislation, he or she must take into account the following:

- I. circumstances of the transgression;
- II. extent of the expenditure involved; and
- III. nature and seriousness of the transgression.

d) Ratification of minor breaches of the procurement process

The accounting officer may ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which **are purely technical in nature** provided that this provision is included in the municipality's supply chain management policy and the official or committee who committed the breach had the delegated authority to perform the function.

e) Disciplinary charges for Irregular or Fruitless and Wasteful Expenditure

If, after having followed a proper investigation, the Council concludes that the political office-bearer or official responsible for making, permitting or authorizing irregular expenditure did not act in good faith, then the municipality must consider instituting disciplinary action and/or criminal charges against the liable person/s.

If the irregular expenditure falls within the ambit of the above description, then the Council, mayor or accounting officer (as may be relevant) must institute disciplinary action as follows:

f) Financial misconduct in terms of section 171 of the MFMA:

- I. in the case of an official that deliberately or negligently: contravened a provision of the MFMA which resulted in irregular expenditure;
- II. or made, permitted or authorized an irregular expenditure (due to noncompliance with any of legislation mentioned in the definition of irregular expenditure);

g) Breach of the Code of Conduct for Municipal Staff Members: in the case of an official whose actions in making, permitting or authorizing an irregular expenditure constitute a breach of the Code; and

h) Breach of the Code of Conduct for Councillors: in the case of a political office bearer, whose actions in making, permitting or authorizing an irregular expenditure constitute a breach of the code. This would also include instances where a Councillor knowingly voted in favour or agreed with a resolution before Council that contravened legislation resulting in irregular expenditure when implemented, or where the political office-bearer improperly interfered in the management or administration of the municipality.



- i) Criminal charges arising from an act of Irregular or Fruitless and Wasteful expenditure:
  - I. If, after following a proper investigation, the Council concludes that the official or political office-bearer responsible for making, permitting or authorising an instance of irregular expenditure acted deliberately or negligently, then the Council must institute disciplinary procedures and lay criminal charges against the liable official or political office-bearer.

#### **14. RECOVERY OF UIF&W EXPENDITURE**

Notwithstanding the disciplinary process, the accounting officer must identify the official who is responsible for the unauthorised, irregular or fruitless and wasteful expenditure.

The relevant information would normally be evident from the investigation process.

The amount of the expenditure should be recovered from the official concerned by taking the following steps:

- a) The accounting officer must write to the official concerned and request him or her to pay the amount within 30 days or in reasonable instalments.
- b) Reasonable instalments will vary from case to case depending on such factors as the total amount involved and the affordability level of the official concerned.
- c) The accounting officer is expected to apply his or her discretion judiciously.
  - i. Should the official refuse or fail to pay as requested, the matter may be referred to an attorney for recovery.
  - ii. If the amount is not recoverable, the accounting officer may request Council to certify the debt as irrecoverable and write it off in terms of the municipal adopted policy.
  - iii. All instances of irregular expenditure must be recovered from the liable official or political office-bearer, unless the expenditure is certified by the municipal Council, after investigation by a Council committee, as irrecoverable and is written off by the Council.
  - iv. Irregular expenditures resulting from breaches of the Public Office-Bearers Act is an exception in that the irregular expenditure must be recovered from the political office-bearer to

whom it was paid, who might not have been responsible for making, permitting or authorizing the irregular expenditure.

- v. Once it has been established who is liable for the irregular expenditure, the accounting officer must in writing request that the liable political office-bearer or official pay the amount within 30 days or in reasonable instalments. If the person fails to comply with the request, the matter must be recovered through the normal debt collection process of the municipality.

## **15. REPORTING OF UIF&W EXPENDITURE**

The accounting officer must comply with the following reporting requirements:  
Completion of the register monthly.

- a. Immediately upon discovery of unauthorised, irregular or fruitless, and wasteful expenditure, the accounting officer must report the details of the unauthorised, irregular or fruitless, and wasteful expenditure to the Mayor.

The report must include the following details:

- i. amount of the unauthorised, irregular or fruitless and wasteful expenditure;
  - ii. description of the vote from which the expenditure was made;
  - iii. reason why the unauthorised, irregular or fruitless and wasteful expenditure could not be avoided;
  - iv. name and title of the responsible official;
  - v. details of any recovery steps taken or to be taken by the municipality; and
  - vi. details of any disciplinary steps taken or to be taken by the municipality.
- b. The Accounting officer must comply with all the reporting requirements contained in Section 32 of the MFMA, including a report to the Auditor-General, The MEC for Local Government as well as reporting the matter to the SAPS if necessary.
  - c. The accounting officer must also include the expenditure in the relevant department's monthly revenue and expenditure report submitted to the Council in terms of the MFMA.
  - d. All unauthorised, irregular or fruitless and wasteful expenditure must be reported as a note to the annual financial statements.
  - e. The Accounting Officer must record the reasons for any deviations in terms of SCM regulations and report to the next Council meeting and disclose this expenditure in a note to the annual financial statements.

## 16. REGISTER FOR REPORTING

Register of Unauthorized, Irregular, Fruitless and Wasteful Expenditure																				
No	Date of discovery	Date Reported to Accounting Officer	Transaction details	Payment Number	Amount	Description of Incident	Person Liable (Official or Political Office Bearer)	Approved or recovered	Status	IRR	UI	DP	CC	TR	P	WO	FW	U	Condoned Section 32 Committee	General comments
1																				
2																				
3																				
5																				
6																				

### Description of codes

UI	Irregular expenditure Under Investigation
WO:	Written-off by council as irrecoverable
DP:	Disciplinary process initiated against responsible person
CC:	Criminal charges laid with SAPS
U	Unauthorized
TR	Transferred to receivables for recovery
FW	Fruitless and Wasteful
IRR	Irregular Expenditure
P	Paid or in process of paying instalments

## 17. CLASSIFICATION TABLE

<b>Governance table</b>	
<b>Title</b>	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
<b>File Number</b>	
<b>Related Policies or Procedures</b>	System of delegation
	SCM Policy
	Debt Collection and Credit Policy
	Budgets and Medium Term
	Revenue and Expenditure Framework
	Code of Conduct
<b>Responsible Person</b>	Accounting Officer
<b>Original Author</b>	N Bothma/F M Lötter
<b>Date approved by Council</b>	
<b>Council Minute Number</b>	
<b>Effective date (After Council Approval of Policy)</b>	
<b>Last Review date</b>	
<b>Review Date</b>	

## 18. CRIMINAL SANCTIONS

1. Councillors and officials of the municipality are also subject to criminal sanctions if they:-

Section	Offence
79	Deliberately or in a grossly negligent* way contravene or fail to comply with a condition of a delegation of power
173(5)(a)	Deliberately or in a grossly negligent way impede an accounting officer from complying with a provision of the Act.
173(5)(b)	Deliberately or in a grossly negligent way give incorrect, untrue or misleading information material to an investment decision relating to borrowing by the Municipality.
173(5)(b)	Illegally withdraw money from a municipal bank account.
173(5)(d)	Fail to disclose material information when the municipality borrows money.
173(5)(e)	Interfere in the supply chain management system.
173(5)(f)	Provide false or misleading information for the purposes of any document which must in terms of a requirement of the Act be submitted to the council, mayor or accounting officer, the Auditor-General, the National Treasury or be made public.

Gross negligence is a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both. It is conduct that is extreme when compared with ordinary negligence, which is a mere failure to exercise reasonable care

## 19. CIVIL LIABILITY

Should an investigation find that an official, senior manager, accounting officer or a public office bearer acted in a way that was malicious, grossly negligent or that intentionally caused a financial loss or distress to the municipality, its assets and its resources, such a person may be held personally liable for the financial loss suffered by the Municipality and the accounting officer is authorised to recover the loss from the person through legal or other means necessary to recover the loss.

## 20. REGULAR REVIEW OF THE REGISTER

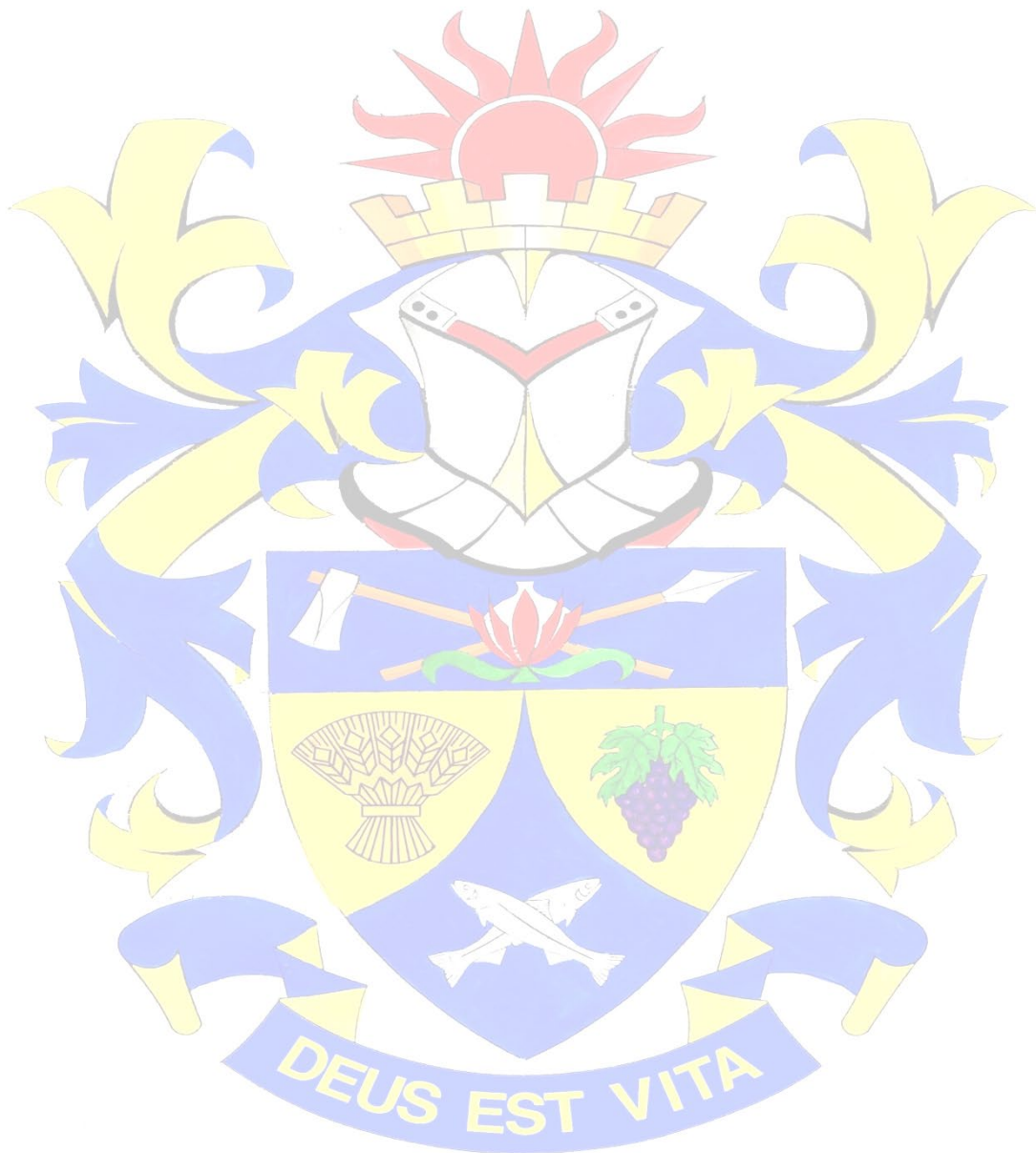
The unauthorised, irregular or fruitless and wasteful expenditure register should be reviewed on a quarterly basis by the chief financial officer of the municipality. This review will ensure that unauthorised, irregular or fruitless and wasteful expenditure are adequately disclosed, dealt with, recorded and that no mathematical errors exist.

## **21. ACCOUNTING TREATMENT**

- a. Unauthorised, irregular or fruitless and wasteful expenditure identified during one financial period, but not paid in the specific period should be recorded in the following financial year.
- b. The cumulative unauthorised, irregular or fruitless and wasteful expenditure incurred at financial year end should be adequately and appropriately disclosed in the financial statements of the municipality.
- c. Recognition and measurement of unauthorised, irregular or fruitless and wasteful expenditure shall be treated in terms of the latest available guidelines for the compilation of the Annual Financial Statements issued to municipalities by National Treasury on an annual basis and be in line with the latest GRAP requirements.
- d. Disclosure of unauthorised, irregular or fruitless and wasteful expenditure
- e. MFMA section 125 require accounting officers and accounting authorities to disclose in the notes to the Annual Financial Statements of the municipality particulars of any material unauthorised, irregular or fruitless and wasteful expenditure incurred during the financial year.
- f. Particulars of any criminal or disciplinary steps taken as a result of such unauthorised, irregular or fruitless and wasteful expenditures should be disclosed in the notes to the Annual Financial Statements.

# BERGRIVIER

Munisipaliteit / Municipality



## **WRITING-OFF OF IRRECOVERABLE DEBT POLICY**

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## **1. INTRODUCTION**

- 1.1 To ensure that household consumers with no or little income are not denied reasonable basic services and that the municipality is not financially burdened with non-payment of these basic services, the Council of Bergrivier Municipality approved policies on property rates, tariffs, customer care, credit control, debt collection and indigent support to be implemented.
- 1.2 Despite strict enforcement of the above policies, Council will continuously be confronted by circumstances requiring the possible writing-off of irrecoverable debt.
- 1.3 The Municipal Manager must ensure that all avenues are utilized to collect the municipality's debt. However, for various reasons there will always be bad debt cases that needs to be catered for through a policy on the writing-off of irrecoverable debt for circumstances that allow for the valid termination of debt collection procedures as contemplated in section 109(2) of the Local Government: Municipal Systems Act (No 32 of 2000), such as –
  - 1.3.1 The insolvency of a debtor whose estate has insufficient funds;
  - 1.3.2 A balance being too small to recover, for economic reasons, considering the cost of recovery; and
  - 1.3.3 Where Council deems that a customer or group of customers are unable to pay for services rendered.
- 1.4 The municipality will have to maintain audit trails in such instances where bad debt is written-off and document the reasons for the abandonment of the actions or claims in respect of the bad debt.

## **2. PURPOSE OF THE POLICY**

- 2.1 The purpose of this policy is to ensure that the principles and procedures for the writing-off of irrecoverable debt are formalized to ensure that consumers (especially households) are relieved of their spiral of debt.

## **3. RESPONSIBILITY AND ACCOUNTABILITY**

- 3.1 The Council has the overall responsibility and accountability for adopting and approving the Writing-Off of Irrecoverable Debt Policy.

#### **4. POLICY PRINCIPLES**

4.1 The following are the guiding principles for the implementing of the Writing-Off of Irrecoverable Debt Policy –

4.1.1 The policy will comply with the Local Government: Municipal Finance Management Act (No 56 of 2003), the Local Government: Municipal System Act (No 32 of 2000) and other related legislation.

4.1.2 Before any debt is written-off it must be proved that the debt has become irrecoverable. To ensure that recommendations for the writing-off of debt are consistent and accurate; irrecoverable debt will be defined as :

- (a) Where the tracing of the debtors is unsuccessful;
- (b) All reasonable steps, in terms of the Writing-Off of Irrecoverable Debt Policy and credit control policy, were taken by the administration to recover the debt; and
- (c) Any debt defined by the Municipal Manager at his/her discretion as irrecoverable.

4.1.3 Bad debt to be written-off must be considered in terms of cost benefit.

4.1.4 Therefore, when it becomes too costly to recover and the chances of collecting the debt are very slim, a write-off should be considered.

4.1.5 Time value of money is very important because the older the debt becomes, the more difficult and costly it becomes to collect. It is therefore imperative that a proper system of credit control is implemented and maintained to avoid debt reaching the stage of becoming too expensive to recover.

4.1.6 Differentiation must be made between those household consumers who cannot afford to pay for basic services (indigent households) and those who just do not want to pay for basic services.

4.1.7 Debt can only be written-off if the required provision for bad debts exists in the municipality's budget and/or reserves.

## **5. CATEGORIES OF DEBTORS THAT MAY QUALIFY FOR WRITING-OFF OF IRRECOVERABLE DEBT**

### **5.1 Indigent household consumers**

5.1.1 Upon approval for registration as an indigent household consumer, the debtor's outstanding balance as at the date of approval will be written-off.

5.1.2 Any new arrears accumulated by the debtor (i.e. any amounts in excess of the indigent allowance for free basic services) whilst registered as an indigent consumer, will not qualify to be written-off and must be dealt with strictly in accordance with the municipality's customer care, credit control and debt collection policies. Therefore, these arrears can only accumulate for –

- (a) The kiloliters of water consumed or to be consumed above the 6 kiloliters of free water per month by an indigent household who has an installed conventional water meter; and
- (b) Excess rates payable on the market value of a residential property that are not exempted from paying property rates and that does not qualify for a 100% indigent subsidy in terms of Council's property rates policy.

### **5.2 Small balances**

5.2.1 Where final accounts have been submitted and paid by the respective consumer, and the remaining balance after finalisation of any final readings, other administrative costs and consumer deposits taken into consideration results in a balance of one thousand rand (R 1,000) or less, or the amount determined by Council from time to time during the budget approval process, such amount must be written-off with the proviso that:

- (a) When the balance amounts to R 300 or less, or the amount determined by Council from time to time during the budget approval process, the account must be forwarded once to the consumer for payment;
- (b) When the balance amounts to R 600 or less, or the amount determined by Council from time to time during the budget approval process, the account must be forwarded once to the consumer with a follow-up reminder for payment;
- (c) When the balance amounts to R 1,000 or less, or the amount determined by Council from time to time during the budget approval process, the account must be forwarded once to the consumer with a follow-up reminder and a final reminder for payment.

5.2.2 Where such account is not paid by the respective consumer within a period of ninety (90) days, such amounts will automatically be written-off.

5.3 Insolvent debtors and insolvent deceased estates

5.3.1 Where a debtor becomes insolvent the municipality must ensure that a creditor's claim is timeously registered. Any amount not being recovered due to insufficient funds must be written off subject to the provisions of paragraph 5.5 below.

5.3.2 In case of the death of a debtor a creditor's claim must be timeously registered against the deceased's estate. Any amount not being recovered due to insufficient funds must be written off subject to the provisions of paragraph 5.5 below.

5.4 Untraceable debtors

5.4.1 Where for any reason the forward address of a debtor becomes untraceable or the debtor becomes untraceable from the current address, such an account must be handed over to a collection agent for recovery of the debt (paragraph 5.2 cases excluded). The collection agent will be paid an all-inclusive fee of not more than 10% of the amount that was collected. The terms of reference for such a collection agent must include the appointment of a tracing agent to locate the debtor. Should a debtor be untraceable, the collection agent must report to the municipality on the actions that were taken to attempt to trace the debtor.

5.4.2 Any amount owed by a debtor that has become untraceable may be sold to a debt collection agent at a discount.

5.4.3 If any debt written off in terms of paragraph 5.4.2 above, it will automatically result in the debtor being reported to a credit bureau by the municipality.

5.5 Clearance certificates

5.5.1 In terms of section 118 of the Local Government: Municipal Systems Act, Bergvriër Municipality may not issue a clearance certificate on any property unless all outstanding amounts that became due during the two years preceding the date of application are paid to date. However, outstanding debt older than two years have accumulated over a period of time and it may not be within the ability of the current owner or prospective new owner to pay such an amount in order to obtain a clearance certificate.

- 5.5.2 Where such circumstances may prevail, the current owner or prospective new owner may apply to the municipality for relief of such outstanding debt or a portion thereof.
- 5.5.3 Such application, upon receiving, must be submitted to the Municipal Manager for consideration. In reviewing such application, the Municipal Manager must ensure that:
- (a) All reasonable measures have already been taken to recover the outstanding amount from the current debtor;
  - (b) The prospective buyer of the property is not in a financial position to settle the outstanding amount before a clearance certificate is issued; and
  - (c) It is not in the interest of the municipality and/or the community to withhold a clearance certificate before the outstanding debt is fully paid.

## **6. DELEGATIONS**

- 6.1 The Municipal Manager shall have delegated authority to approve all write-offs in terms of and within the parameters of this policy after consultation with the Chief Financial Officer.
- 6.1.1 All write-offs in terms of 6.1 above must be reported quarterly to the Executive Mayoral Committee.

## **7. REPORTING AND DISCLOSURE**

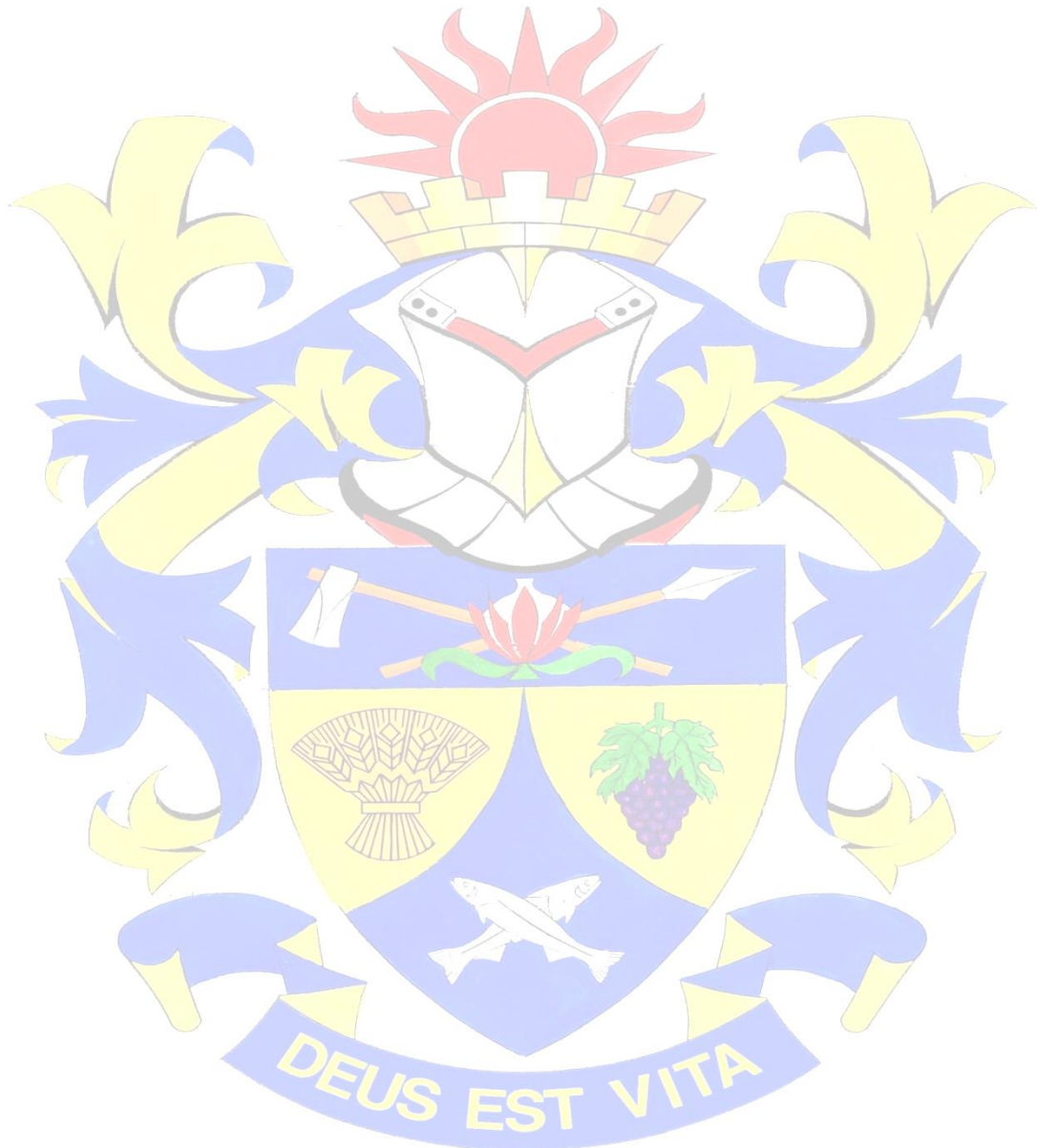
- 7.1 The Chief Financial Officer will disclose the total amount of irrecoverable debt written-off as a note in the annual financial statements of the municipality.

## **8. IMPLEMENTATION AND REVIEW OF THIS POLICY**

- 8.1 This policy shall be implemented once approved by Council. All future submissions for the writing-off of debt must be considered in accordance with this policy.
- 8.2 The policy will be reviewed each year as part of the budget approval process.

# BERGRIVIER

Munisipaliteit / Municipality



**INVENTORY MANAGEMENT  
POLICY (Draft)**

# INVENTORY/ STOCK PROCEDURES MANUAL

## Of Bergrivier Municipality

---

### 1. INTRODUCTION

1.1 This manual has been designed to assist the management and employees of **Bergrivier Municipality (BM)** with the description of financial procedures of inventory/stock and the capacity to differentiate between activities which are acceptable in terms of general authorisation, supervisory responsibilities and limits of authority relating to the financial functions of the organization.

1.2 The manual will provide certainty with respect to the handling of financial procedures of inventory/stock undertaken within the organisation and will ensure that management and employees understand their respective responsibilities and duties.

1.3 This manual replaces/supersedes all financial inventory/stock procedure instructions and memoranda that have been previously issued.

1.4 This inventory/stock manual should be read in conjunction with the financial policies Supply Chain Management and Cash Management and Investment Policy, which should be achieved through the implementation of the detailed procedures as detailed in this manual.

### 2. OBJECTIVES

2.1 This manual is intended to define and formalize the stores inventory/stock procedures of Bergrivier Municipality.

2.2 The objectives of this document include the following:

- To safeguard the inventory/stock of **BM** and to ensure the effective use of existing resources.
- To emphasis a culture of accountability over **BM** inventory/stock.
- To control the operational risks to which **BM** is exposed.
- To ensure that effective controls are communicated to the management and staff through clear and comprehensive written documentation.
- To provide a formal set of financial procedures of inventory/stock, which can be implemented to ensure **BM** financial policies are achieved.

### **3. DEPARTURES FROM FORMAL PROCEDURES**

3.1 Any departures from the approved procedures stated in this manual will require the prior written approval from the following body:

- Municipal council / Executive Mayoral Committee

### **4. CHANGES TO PROCEDURES MANUAL**

4.1 It is absolutely critical that all changes made to the inventory/stock manual are properly and timeously communicated to all relevant persons within the organisation.

4.2 The following steps will be applicable for the control and change management of the manual:

- A manual copy of procedure is to be maintained at each Department, which records the latest versions of manuals currently in use.
- It is the responsibility of all employees to ensure that they have the latest copy of the manual should they wish to obtain information about inventory policy or procedure.
- Assistant Accountant Assets will maintain an updated version of manual on municipal website.
- The use of photocopied manuals is strictly forbidden as this increases the risk of incorrect versions of the manual being used.
- All recommended changes or requests for changes must be recorded on a memo form, which would detail the suggested changes together with the reasons/motivation for such changes. The memo must be authorised by the appropriate Director.
- Memo forms should be sent to the Assistant Accountant Assets /Stores Supervisor in order to effect any changes if they are approved.
- Approved changes are authorized by Municipal Council /Executive Mayoral Committee.
- Any changes made will result in the manual being re-updated in its entirety. This will avoid changes being made on the manual itself or the need to replace specific pages.
- Once the procedures has been changed and a new version on the municipal webpage, the custodian is responsible for informing all personnel of amendments and updates calling all previous versions of the manuals to be destroyed.

4.3 These procedures are to be applied in conjunction with the Approved Delegated Authority Framework and any other formal instructions from the Municipal Manager that may arise from time to time. These instructions will generally be of a short-term nature. Instructions, which affect long term operating procedure, will be incorporated into the relevant policies and procedures manuals.

### **5. DELEGATION OF AUTHORITY**

5.1 As much autonomy and devolution of powers as are possible and practicable are given to individual departments in terms of the Approved Delegated Authority Framework.

5.2 Full responsibility for internal control within the stores rests with the Accounting Officer who should ensure that appropriate and adequate arrangements exist within the stores to safeguard all inventory, that policies including these financial policies, procedures and guidelines are complied with and that records are maintained in as complete and accurate manner.



5.3 In particular the Accounting Officer or his delegate should ensure wherever possible that the duties of their staff are segregated, so that more than one member of staff records and processes a complete transaction, e.g. for the receipt, recording and updating of transactions in the financial system or for the placing of orders, receipt of goods, approval of payment for invoices in settlement of suppliers accounts.

5.4 Where limited resources allow for little or no segregation of duties, it is incumbent upon the Chief Financial Officer to ensure that adequate procedures for regular independent checks of financial transactions are in place.

5.5 Advice on recommended internal control procedures and interpretation of this document may be obtained from internal and external auditors.

5.6 It is the responsibility of the CFO or his delegate to ensure that all transactions that take place within the stores unit has been properly authorised in line with the Approved Delegated Authority Framework.

# INDEX

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## **1. INTRODUCTION**

1.1 Some of the areas that need to be addressed during the course of the cycle are the monitoring of the utilization of resources in terms of the supply chain management plan.

1.2 The investment in stock should be minimised and the valuation of stock closely monitored.

1.3 The security of stock is a high-risk area and needs to be closely controlled.

1.4 These stock issue procedures cover the issue of stock from **Bergrivier Municipality** stores to departments both during and after normal working hours and the replenishment of store-items.

1.5 For Inventory purchased from external suppliers refer to the SCM policy.

1.6 Typically, the stores houses stock of the following nature:

- Consumables
- Buildings materials
- Electrical Cables
- Electrical & Civil Engineering department spares

1.7 Stock is fairly valued at weighted average cost.

1.7.1 The method for issuance of physical stock is the first in first out basis "FIFO" or on special occasions, as determined by the Storeman, last in first out "LIFO".

1.7.2 All issues are done at average cost of items on the Phoenix Vesta financial system.

## **2. STOCK ISSUES**

### **2.1 On-Line Issues**

2.1.1 Stock items, kept in the **BM** store are requisitioned by means of an electronic stock requisition on the Phoenix Vesta Financial System during normal working hours. Detailing the following:

- Description of the products and product code.
- Quantity required of each product.
- Vote number.

- Name of requestor.
- Date.
- Reason for request.

2.1.2 Non-stock items are purchased via the Supply Chain Management Process for direct consumption by a Department. These items are ordered by means of a electronic non-stock requisition after approval by the Approved Delegated Authority Framework. Stores must have available a list of approved authorized signatories that reflect the Approved Delegated Authority Framework.

2.1.3 The requisitioned, after establishing that the required product are held by the store, completes an on-line stock requisition, to obtain items from the stores.

2.1.4 The store's personnel clear the requests using the Phoenix Vesta Financial System to check for any budget restrictions .If there is sufficient funds available, the issue is approved. If there is not sufficient funds available for the transaction, the requisition is rejected by the stores personnel and returned to the requestor. The requestor should then provide the correct or an alternative vote number, with the necessary available funds before the stock issue can be done.

2.1.5 The electronic requisition are printed in the stores and is used by the stores personnel to collect the materials from the shelves. The stores personnel checks the goods against the stock requisition and verifies that the correct items and quantities are issued.

2.1.6 Upon handing over the requested stock and quantities, to the requestor or the delegated official of the requestor the stores personnel inscribe the items description,quantity,date ,vote-number into his store issue book.

2.1.7 The stores personnel houses the requested stock items as per the stock requisition to be collected by the requestor or his delegate.

2.1.8 The end user at the relevant department is notified, that the stock is ready for collection.

2.1.9 In incidences where the end user is not available, a delegated person is appointed by the end user for collection.Items are handed over to the authorized collector and stock are signed for by the person who takes ownership of it.

2.1.10The collector ensures that the physical quantity and description of the materials issued matches the stock requisition signs the stock requisition book as acknowledgment of receipt.

2.1.11 the stores personnel completes the stock requisition book as evidence of his issuing the goods. The stock issued are manually updated on the stores bin cards. The white copy of the stores issue book are batched on a daily basis and the stores personnel capture the transactions online on the Phoenix Vesta Financial system,

2.1.12 the store's personnel completes the requisition and submits it electronically into the system. The requestor receives confirmation that the stock items requested, have been issued and received.

2.1.13 The stores personnel generates a report which indicates transactions captured .The stores personnel verifies that all the transactions were correctly allocated against the correct item codes, vote numbers , quantities and signs the report, files it for future auditing purposes.

2.1.14 At month end a detailed list of all requisitions issued against a department is forwarded to the Head of the different Departments for his verification of validity and accuracy.

## **2.2 Manual Stock Issues**

2.2.1 If the financial system is off-line, a manual system is adopted. A manual stock requisition are available at stores.

2.2.2 A manual stock requisition, is completed by the requestor requesting a stock item detailing the following:

- Description of the products and product code
- Quantity required for each product
- Vote number
- Name of requestor
- Date + Department
- Reason for request

2.2.2.1 The stock requisitioned, after establishing that the required product are held by the store, uses the manual stock requisition to place a request on the store, for the desired items.

2.2.3 The manual requisition is authorised according the Approved Delegated Authority Framework by the official within the limits of authority.

2.2.4 All unused lines on the manual requisition, are cancelled by the requester to avoid alterations being performed subsequent to authorization.

2.2.5 Each store must have available a list of approved authorised signatories that reflect the Approved Delegated Authority Framework.

2.2.5.1 The manual requisition are handed over to the store personnel.

2.2.5.2The stores personnel clear the requests using the financial system to check for any budget restrictions. If there is sufficient funds available, the issue is approved. If there is not sufficient funds available for the transaction, the requisition is rejected and returned to the requestor. The requestor should provide the correct or an alternative vote numbers, with the necessary available funds before the stock issue can be done.

2.2.5.3 The manual requisition is used by the stores personnel to collect the materials from the shelves. The stores personnel checks the picked goods against the stock requisition and verifies that the correct items and quantities are issued.

2.2.6 The stores personnel group the requested items it for collection. The stores personnel houses the requested stock items as per the stock requisition to be collected by the requestor or his delegate.

2.2.6.1 Upon transferring the requested stock, to the requestor or delegated official of the requestor, the stores personnel inscribe the items description, quantity, date, vote number into his store issue book.

2.2.7 The end user ensures that the physical quantity and description of the materials issued matches the manual stock requisition and signs the stock requisition book as acknowledgment of receipt of stock items.

2.2.8 If applicable, the end user, responsible for the requisition, is notified through email that the stock is ready for collection.

2.2.9 The stores personnel completes and signs the stores issue book as evidence of issuing the items requested.

2.2.10 Once the Phoenix Vesta Financial system is available, the manual stock requisition documents are processed.

2.2.11 the store's personnel completes the stock requisition book as evidence of his issuing the goods. The stock issued are manually updated on the stores bin cards. The white copy of the store issue book are batched on a daily basis and the stores personnel capture the transactions online on the Promun Financial system.

2.2.12 the yellow copy of the stock requisition is kept in the store issue book for future auditing purposes.

2.2.13 The stores personnel generates a report which indicates transactions captured .The stores personnel verifies that all the transactions were correctly allocated against the correct item codes, vote numbers , quantities and signs the report , files it for future auditing purposes.

2.1.14 At month end a detailed list of all requisitions issued against a department is forwarded to the Head of the different Departments for his verification of validy and accuracy.

## **2.3 Emergency Stock Issues**

2.3.1 After normal office hours where emergencies occurs a manual system is adopted.

2.3.2 A manual store issue requisition is completed by requestor of a stock item, detailing the following:

- Description of the products and product code

- Quantity required for each product
- Vote-number
- Name of requester
- Date
- Reason for request

2.3.3 The requestor signs store issue requisition book for acceptance of requested stock.

2.3.4 The store's personnel also signs and stamps emergency on the stores issue requisition as evidence of issuing the emergency items requested.

2.3.5. All unused lines on the stores issue requisition book, are cancelled. No alterations are allowed or are being performed subsequent to authorization.

2.3.6 The responsible person [emergency item requestor] raises the required requisition on the 1<sup>st</sup> working day and gets authorization of the requisition within the limits of authority and its provisions.

2.3.7 The stores personnel accepts the requisition and follow the normal stock issuing processes.

3.8 The requestor is notified electronically that the stock was issued and if applicable the remainder is ready for collection.

2.3.9 The emergency item requestor ensures that the physical quantity and description of the materials issued matches the items that were received

2.3.10The manual stores issue requisition number are used as reference when manually updating the relevant bin cards accordingly.

2.3.11The manual stock issue requisition is cross –referenced to the electronic requisition, signed, dated and stamped to indicate that it has been processed.

2.3.12 The completed white copy of the stores issue requisition is batched for processing by stores personnel. The yellow copy stays in the stores issue requisition book for auditing purposes.

2.3.13 The white copy and batches are stored at the stores.

2.3.14 The manual stock issue documents are processed and batched, and captured on the system by the stores personnel to update the financial system accordingly.

2.3.15The stores personnel generates a report which indicates transactions captured .The stores personnel verifies that all the transactions were correctly allocated against the correct item codes, vote numbers , quantities and signs the report, files it for future auditing purposes.

2.1.16 At month end a detailed list of all requisitions issued against a department is forwarded to the Head of the different Departments for his verification of validy and accuracy.

### **3. REPLENISHMENT**

3.1 Stock re-order levels are set by the CFO or delegator in consultation with the appropriate delegated person of each Directorate /Department and is updated on a quarterly basis.

3.2 On a weekly basis, the stock controller obtains a report from Phoenix Vesta financial system indicating stock codes that have reached their re-order levels, detailing the following:

- Product code
- Product description
- Minimum and maximum quantity
- Quantity on hand

3.3 Not all indicated re-ordered items on the printout are necessarily replenished.

3.4 The store personnel reviews each item and together with the re-order minimum and maximum reports, issue and usage reports, decides whether or not an item needs to be replenished.

3.4.1 The replenishment method used are the Fixed Order Quantity System {FOQS}.

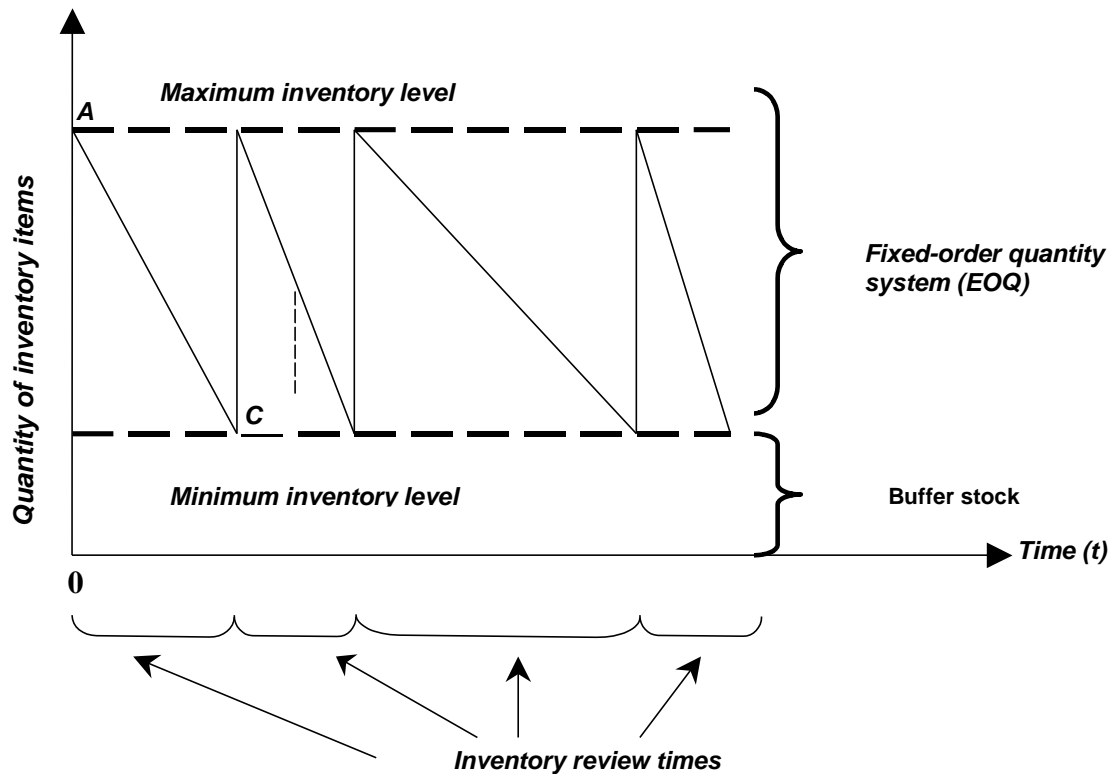
3.4.2. The FOQS system is based on the predetermination of a fixed quantity {A} which must be ordered every time the stock item is supplemented. Total investment in stock is kept at the required level through adjustment of the planned maximum and minimum values.

3.4.3 The FOQS system requires a suitable re-order point {C} which is determined with the inputs of the Superintendents. Stock items levels are automatically triggered by the Phoenix Vesta financial system when the stock levels falls to the re-ordering / minimum point. Replenishment of these selected items are determined with respect to point 3.3 and 3.4.

3.4.4 The re-ordering point is determined in such a way that the estimated consumption of the stock items during the delivery period will be such that at the time when the new order is received, the actual stock level is down to a predetermined minimum.

3.4.5 Receipt of the new order then pushes up the stock level to a predetermined maximum.





3.5 The stores personnel processes all replenishments requests, which he considers necessary, on an requisition, which is approved according to The Departmental Superintendents Approved Delegated Authority Framework which might be the Head Supply Chain Management and (general Items) or the Department Superintendents for specific departmental items.

3.6 Once the electronic stock replenishment requisition is raised it is then approved by the departmental Superintendents, it is submitted to the SCM Head Supply Chain Management and Disposal and then to the Purchasing department.

3.7 All stock replenishment requisitions may request any stock item which is afterwards approved by the Delegated Authority Framework.

3.8 The replenishment requisitions are either approved or rejected by the relevant authorised persons in the Approved Delegated Authority Framework.

3.9 The stores controller can review the current status of their requisitions.

3.10 All replenished stock are manually brought unto Bin card system and the corresponding paperwork used to update the Phoenix Vesta system.

3.11 The Head Supply Chain Management authorizes all the invoices received for payment.

3.12 All the approved invoices are paid by the Creditors department.

## **4. STOCK RETURNS**

4.1 These procedures are to be followed for the return of stock items at the originally expensed cost from the various departments to the stores.

4.2 A manual stock return document in the stock return book is completed and signed by the person returning the stock and handed over to the storeman with the goods that are returned.

4.3 A full description is inserted and reasons for returning the as well as non-use of stock item. The original stock requisition number must be indicated on the stock return note.

4.4 The storeman checks that the stock are in their original condition before accepting the returned goods, and signs the manual stock return book as proof of receipt of returned goods.

4.5 The info on the return note is compared to the original stock requisition for accuracy.

4.6 The storeman will capture the transaction onto the bin card system and batches the returns as an adjustment form for capture in the financial system. The adjustment batch, for returns, created by the stores personnel are approved by the Approved Delegated Authority Framework.

4.7 The white copy of stock return book are attached to the batched adjustment created for capturing on the financial system by the IT data capturing clerk.

4.8 The stock return book is kept at the stores for easy access.

4.9 The yellow copy of the stock return document is retained by the store, in the book, for future auditing purposes.

4.10 Where the returned goods result in the product exceeding the maximum amount kept, the goods must still be accepted and captured and excluded from auditing queries.

4.11. Stock returns will only be accepted until 31<sup>st</sup> of May every year.

## **5. STOCK COUNTS**

5.1. The Stores Supervisor is the stock count coordinator.

5.1.1 Prior to the commencement of a stock count the following steps must be performed:

- All documentation must be interfaced to the general ledger and stores.
- All ordered items have been received and stored at correct bin locations.
- Ensure that no system transactions take place during the stock count **except** emergencies of which the transactions are manually recorded.
- All consignment stock and late delivery stock is identified and ring-fenced/cordoned so as not to be counted.

5.2 The procedures detailed below are to be followed for the planning, registration and performance of stock counts.

5.3 The Stores Supervisor or delegated person generate a list of all items in the store for stock taking purposes.

5.4 The Stores: Supervisor plans the stock count in terms of staff availability; segregation of duties and teams based on volumes. Teams are set up of one store official and one or two official's independent of stores processes.

5.5 The Stores: Supervisor meets the count teams and briefs them as to the count procedures.

5.7 The stock count includes all three stores registered on the Phoenix Vesta Financial system and the count sheets consist of two sets per store.

5.8 The stock take re-order reports which include the warehouse numbers, item codes, descriptions are automatically generated by the financial system. No quantities are indicated as this needs to be recorded by the count official

5.9 The pre numbered stock sheets are printed in duplicate, one copy for the internal auditor and one copy for counting purposes.

5.10 The stock co-coordinator supervises the count teams. The council appoints the councilors responsible for the counting as well as the reserves on the request of the stock coordinator.

5.11 The stock count instructions are issued to the count officials and then briefed by the stock co-coordinator as to the stock count procedures.

5.12 Count officials mark, with different colours, the shelf/bin/bin card to indicate which items have been counted.

5.13 Counting of stock is the responsibility of the counting officials .Stores personnel are only responsible to show the counting officials where the various stock items are being kept.

5.14 If a product item is identified which does not appear on the stock sheet, an entry must be made at the end of the list of all product items not on the stock sheets with its relevant details.

5.15 Once the officials has completed their counts they initial all changes on the count sheets sign and return the stock count sheets to the stock co-coordinator.

5.16 The Head Supply Chain Management as an independent supervisor/advisor of the count to ensure that the procedures are adhered to.

5.17 The stock co-coordinator ensures that all product items have been counted by performing the following:

- A walkthrough the store is done to ensure that each stock item has the relevant markings from both count teams attached.
- All line item on the stock sheets have been recorded as counted.
- All count sheets have been handed in and apriority signed.

5.18 The results of the counts of the two teams are compared with the totals on the stock count re-order report. All the differences (discrepancies/uncounted items) are brought under the attention of the stock count coordinator. Variances are followed up by recounting the items where differences exists.

5.19 The totals of the stock item as counted by the counting teams are compared to the totals as indicated on the system. Variances are followed up by recounting the stock items where differences are indicated.

5.20 Once the storeman is satisfied that all items have been counted correctly stock count re-order sheets are signed and transferred to the stock co-coordinator.

5.21 The stock co-coordinator reviews the stock count re-order sheets and signs to authorise the completion of the count.

5.22 The stock count re-order sheets are returned to the storeman.

5.23 Each difference between the actual total and the stock count re-order report is followed up and investigated. Differences must be resolved and documented by the cost centre manager/financial representative.

5.24 All the stock count information must be bound and filed in a logical order for reference purposes.

5.25 Old, obsolete or deteriorating stock (items not expected to realise their value) is identified and written down/scrapped and disposal procedures are adopted

5.26 During the stock count procedures all old, damaged or obsolete stock is identified and ring-fenced.

5.27 In the event that no other Directorate want the items, they are sent to Asset Controller for sale on public auction.

5.28 An independent official (internal auditor) is given the responsibility of re-counting the items where differences arose.

## **5.1 Monthly Spot checks**

5.1.1. The Stores Supervisor is responsible for a monthly spot check at the three stores of selected items as per report .

5.4.2. The monthly count must on a yearly cycle,include all the items, warehoused in stores.

5.4.3 Proof of these monthly counting cycles needs to be filed for auditing purposes.

## **6. STORES TRANSFERS**

6.1 No stores transfers are allowed.

## **7. MASTER FILE MAINTENANCE**

- Prior to all master file changes being performed, the appropriate authorization must be obtained in terms on the delegated authorities.

### **7.1 *Item Description Changes***

7.1.1 Item descriptions may be changed for the following reasons:

- New items created on system
- Amendments or corrections of existing descriptions
- More information required for requesting purposes

7.1.2 The request must be accompanied by a Stores Masterfile Maintenance changes form.

7.1.3 The request is completed and submitted by the Storeman to the Stores Supervisor.

7.1.5 The allocated persons namely Stores Supervisor enters the changes on the financial system as per the request. Once the desired updates have been done the Stores Master file Maintenance form are signed by the official who captured it.

7.1.6 The completed form is sent back to the store and a copy is filed at the warehouse.

### **7.2 *Minimum and maximum stock maintenance***

7.2.1 The Stores Supervisor generates on a quarterly basis a report reflecting stock holdings, together with the movement report.

7.2.2 The Stores Supervisor uses these reports as a management tool to bring stock levels down by:

- Ensuring no requisitions for procurement are authorised for items reflected in the excessive stock report.
- Adjusting maximum stock levels in line with operational needs and inputs by the different Departmental Superintendents.
- Slow / non moving stock items should be identified and provisions for stock write offs/obsolescence should be made where warranted.

7.2.3 All adjustments are motivated and signed by the different Department Superintendents as well as the Stores Supervisor.

7.2.4 The Accounting Officer or delegate will be held responsible for stock value and working capital management of the respective stores.

7.2.5 An amended re-order report for change in the min/max levels by the different departmental superintendents are used to adjust accordingly based on the following:

- Stockholding should be based on the economic order quantity
- To prevent over-stock of certain items
- To regulate the movement of stock items.
- To avoid obsolescence

7.2.6 The request is sent to Stores Supervisor, which allocates it to the person responsible for that store.

7.2.7 Stores Supervisor enters the master file and change the Min/Max quantities.

7.2.8 All supporting documentation is filed at the stores.

### **7.3 Unit of measure maintenance**

7.3.1 Units of measure changes are done for the following reasons:

- Issue measure has changed
- Items are opened against the incorrect measure maintenance.
- Unit of measure change

### **7.4 Suspension of Stock Items**

7.4.1 Stock items can be suspended for the following reasons:

- Slow moving items can be purchased directly against departmental vote numbers.
- Items that are obsolete/written off at the stores
- Items don't meet the prescribed quality

### **7.5 Zero/Negative Values**

7.5.1 A zero value report is run for all stock items where a quantity is reflected. These inventory items should be write-on unto stores with the average amount.

### **7.6 Write off's**

7.6.1 The reason for this function is as follows:

- Dormant stock
- Damaged /broken stock
- Obsolete stock

7.6.2 All write offs are identified by the storeman in consultation with the different departmental Superintendents.

7.6.3 Their request is forwarded to CFO or the Approved Delegated Authority Framework for approval.

7.6.4 Valid requests with the necessary motivation, as determined by the CFO or Approved Delegated Authority Framework is tabled to Council for approval of a write-off.

7.6.5 The Storeman records the transaction on the financial system with the official recommendation from Council as proof for the write-off.

7.6.6. The appropriate vote number are used for the write-off of stock.

7.6.7 The write-off items are removed from stores and handed over to the Assistant Accountant Assets for disposal via public auction.

7.6.8 Copies of write-off documents to Assets Department are kept for future auditing purposes.

## **8: Monthly reporting**

8.1 The slow moving stock report is run quarterly and a provision for obsolescence is made for all old stock reflected.

8.2The total monthly issues reports per department are forwarded to the different departments for scrutiny.

8.3 The twenty highest stock turn-over items is forwarded to the different departments for scrutiny.

8.4The percentage over maximum stock report **is** forwarded to the storeman for a detailed explanation why the maximum item amounts were exceeded.

8.5The dormant stock report is forwarded to all the departments to see items not used and possibly included in future planning of projects or repairs.

8.6The value of top twenty stock items report **are** forwarded to the different departments.

8.7 The monthly re-order report **is** forwarded to all the different departments for them to scrutinize and in consultation with the storeman determine the following:

- Ensuring correct description of inventory warehoused.
- Adjusting the maximum and minimum quantities of stock.
- Forwarding requests for additional stock purchases of future projects.
- Identifying stock items that are obsolete or which are not going to be used for write-off.
- Earmarking stock warehoused for current projects or jobs.

8.8 The monthly skipped issue notes report are followed up and sufficient reason given to the Stores Supervisor why it was not used.

## **9: Monthly Reconciliation**

9.1 The Stores Supervisor are responsible to see that the monthly reconciliation of warehouses suspense accounts are completed and correct.

9.2A Hard copy of the monthly reconciliation is kept by the Stores Supervisor.

## **10: Stores Hours**

Monday till Thursday from 07.30 till 16H30.

Friday from 07.30 till 15H30

## **11: Adjustments**

Adjustment must be authorized by the Assistant Accountant Assets or Stores Supervisor.



# **Annexure B**

## **Tariff Schedules**

## MUNISIPALITEIT / MUNICIPALITY BERGRIVIER TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
<b>ALLE TARIEWE SLUIT B.T.W. IN</b>	R	R	R		R	R	R	<b>ALL TARIFFS INCLUDE VAT</b>

### 1 DIENSTE DEPOSITO'S SERVICE DEPOSITS

<b>A Huishoudelik</b>								<b>Residential</b>
Vooruitbetaalde Elektrisiteit, Water, Riool, Vullisverwydering	1,350.00			6.67%	1,440.00		Prepaid Electricity, Water, Sewerage, and Refuse Removal	
Konvensionele Elektrisiteit, Water, Riool, Vullisverwydering	2,120.00			7.08%	2,270.00		Conventional Electricity, Water, Sewerage, Refuse Disposal	
<b>B Besighede</b>								<b>Business</b>
Elektrisiteit, Water, Riool, Vullisverwydering. Die bedrag sal aangepas word om 1 maand se gemiddelde rekening ( Bereken op die voorafgaande 6 maande ) te dek na wanbetaling die eerste keer voorkom. Bankwaarborg kan in die plek van 'n deposito ingedien word.	2,120.00			7.08%	2,270.00		Electricity, Water, Sewerage, Refuse removal. The amount will be adjusted to cover 1 month's average account (Calculated on the previous 6 months) after default occurs the first time. Bank guarantees can be submitted in lieu of a deposit.	
<b>C Laekoste behuising / Hulpbehoewende / Staatsouderdomspensioenarisse SASSA).</b>								<b>Low-cost housing / Indigent / Pensioners (SASSA).</b>
Betaalbaar by betrekking van die huis of nadat wanbetaling die eerste keer voorkom.	500.00			8.00%	540.00		Payable on occupation of the home or after default occurs for the first time.	

### 2 RIOOL SEWERAGE

<b>A Besikbaarheidsfooie</b>								<b>Availability fees</b>
Riool per erf - per jaar	2,009.30	1,747.24	262.06	7.00%	2,150.00	1,869.55	280.45	Sewerage per erf - annually
<b>B Spoelriool Alle Dorpe</b>								<b>Flush sewer All Towns</b>
Standaardheffing per aansluiting / wooneenheid (insluitende woonstel, deeltitel, tyddeeleenheid) wat ookal die meeste per maand.	208.00	180.88	27.12	7.02%	222.60	193.54	29.06	Standard charge per connection/unit (including apartment, sectional title, time-share unit) whatever is the most per month.

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		15% VAT	Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)				Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	
Residensieel - Standaardheffing per aansluiting/enkel wooneenheid per maand	208.00	180.88	27.12	7.02%		222.60	193.54	29.06	Residential - Standard charge per connection / single dwelling unit per month
Residensieel - Vir elke selfstandige addisionele bewoonbare wooneenheid op 'n enkel perseel, hetsy vrystaande of	208.00	180.88	27.12	7.02%		222.60	193.54	29.06	Residential - For each independent additional habitable dwelling on a single site, whether detached or partially
Residensieel - Skakelhuse, vir elke eenheid op 'n erf/perseel per maand	208.00	180.88	27.12	7.02%		222.60	193.54	29.06	Residential - semi-detached, for each unit on a plot/site per month
Woonstel - Per wooneenheid in 'n woonstelblok per maand	208.00	180.88	27.12	7.02%		222.60	193.54	29.06	Apartment - Per apartment in an apartment block per month
Ouetehuse - Per losstaande wooneenheid per maand	208.00	180.88	27.12	7.02%		222.60	193.54	29.06	Retirement homes - Per detached dwelling unit per month
Ouetehuse - Per wooneenheid/kamer toegerus met eie ablusiefasiliteit per maand	52.00	45.22	6.78	6.92%		55.60	48.35	7.25	Retirement homes - Per housing unit/room equipped with its own ablution facility per month
Ouetehuse - Per toilet/urinaal in gedeelde badkamers per maand	41.60	36.17	5.43	6.97%		44.50	38.70	5.80	Retirement homes - Per toilet/urinal in shared bathrooms per month

### Institusioneel

*Insluitend - Koshuise, Hostels, Skole, Hospitale, Gevangenis, Polisieestasies en ander Staatsinstellings*

Gebruiksheffing per perseel/sake eenheid per maand	208.00	180.88	27.12	7.02%		222.60	193.54	29.06
n Addisionele gebruiksheffing vir elke toilet/urinaal meer as 4 op of aan die perseel gekoppel	69.30	60.26	9.04	7.07%		74.20	64.52	9.68

### Institutional

*Including - Hostels, Schools, Hospitals, Jails, Police Stations, and other Government Institutions*

Usage charge per premises/business unit per month	208.00	180.88	27.12	7.02%		222.60	193.54	29.06
An additional usage charge for each toilet/urinal more than 4 on or connected to the premises	69.30	60.26	9.04	7.07%		74.20	64.52	9.68

### Kommersieel

*Insluitend Besigheidspersele, Akkommodasie geriewe, Hotelle, Gastehuse, Kleinsake en Nywerheidspersele*

Gebruiksheffing per perseel/sake eenheid per maand	208.00	180.88	27.12	7.02%		222.60	193.57	29.03
n Addisionele gebruiksheffing vir elke toilet/urinaal meer as 4 op of aan die perseel gekoppel	69.30	60.26	9.04	7.07%		74.20	64.52	9.68
Per selfsorgeenheid op 'n enkel perseel per maand	208.00	180.88	27.12	7.02%		222.60	193.57	29.03

### Commercial

*Including Business Premises, Accommodation Facilities, Hotels, Guest Houses, Small Businesses, and Industrial Premises*

Usage charge per premises/business unit per month	208.00	180.88	27.12	7.02%		222.60	193.57	29.03
An additional usage charge for each toilet/urinal more than 4 on or connected to the premises	69.30	60.26	9.04	7.07%		74.20	64.52	9.68
Per self-catering unit on a single site per month	208.00	180.88	27.12	7.02%		222.60	193.57	29.03

### C Suig van Septiese Tenke (Binne voormalige munisipale gebiede)

### Suction of Septic Tanks (Within former municipal areas)

#### Velddrif/Aurora (Riool suigtrok 7 Kl)

#### Velddrif/Aurora (Sewerage suction truck 7 kl)

Gedurende werksure - Ma tot Vr 08h00 tot 16h30 - per vrag (Maksimum 7 Kl)	486.20	422.78	63.42	6.99%		520.20	452.35	67.85	During working hours - Mon to Fri 08h00 to 16h30 - per load (Maximum 7 kl)
Buite werksure - Ma tot Sat 08h00 tot 16h30 - per vrag (Maksimum 7 Kl)	796.60	692.70	103.90	7.00%		852.40	741.22	111.18	Outside working hours - Mon to Sat 08h00 to 16h30 - per load (Maximum 7 kl)
Sondae & Openbare Vakansiedae - per vrag (Maksimum 7 Kl)	1,398.90	1,216.43	182.47	7.00%		1,496.80	1,301.57	195.23	Sundays & Public Holidays - per load (Maximum 7 kl)

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW) Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW) Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
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<b>Eendekuil / Redelinghuys (Trekker en wa - 3 KI)</b>					<b>Eendekuil / Redelinghuys (Tractor and wagon - 3 kl)</b>				
Slegs gedurende werksure - per vrag ( Maks 1 Hef per eiendom per maand )	203.50	176.96	26.54	6.98%	217.70	189.30	28.40	Only during working hours - per load (Max 1 Levy per property per month)	

<b>Aurora</b>					<b>Aurora</b>				
Slegs gedurende werksure - per vrag								Only during normal working hours - per load	

<b>D Suig van Septiese Tenke (Buite voormalige munisipale gebiede)</b>					<b>Suction of Septic Tanks (Outside former municipal areas)</b>				
Buite Munisipale gebied binne werksure - per vrag + per km	796.60	692.70	103.90	7.00%	852.40	741.22	111.18	Outside Municipal area within working hours - per load + per km	
Buite Munisipale gebied buite werksure - per vrag + per km	1,809.30	1,573.30	236.00	7.00%	1,936.00	1,683.48	252.52	Outside Municipal area outside working hours - per load + per km	
Buite Munisipale gebied Sondae & Openbare Vakansiedae - per vrag + per km	2,797.90	2,432.96	364.94	7.00%	2,993.80	2,603.30	390.50	Outside Municipal area Sundays & Public Holidays - per load + per km	
Buite voormalige dorpsgrense per km vanaf rioolsuiweringswerke	12.70	11.04	1.66	7.09%	13.60	11.83	1.77	Outside former town boundaries per km from sewerage treatment works	

<b>E Aansluiting</b>					<b>Connection</b>				
Nuwe aansluiting selfde kant van straat	1,771.00	1,540.00	231.00	7.00%	1,895.00	1,647.83	247.17	New connection same side of the street	
Nuwe aansluiting oorkant van straat	3,542.00	3,080.00	462.00	7.00%	3,789.90	3,295.57	494.33	New connection across the street	

<b>F Oopmaak van rioolverstoping op privaat erwe (slegs binne munisipale gebied)</b>					<b>Unblocking of sewers on private erven (only within the municipal area)</b>				
Maandag tot Vrydag (gedurende werksure)	451.80	392.87	58.93	6.99%	483.40	420.35	63.05	Monday to Friday (during working hours)	
Maandag tot Saterdag (buite normale werksure)	581.60	505.74	75.86	7.00%	622.30	541.13	81.17	Monday to Saturday (outside normal working hours)	
Sondag en Publieke Vakansiedae	1,033.40	898.61	134.79	7.00%	1,105.70	961.48	144.22	Sunday and Public Holidays	

<b>G Allerlei</b>					<b>Miscellaneous</b>				
Verkoop van gesuiwerde rioolwater by suiweringswerke (per kl)	1.10	0.96	0.14	9.09%	1.20	1.04	0.16	Sale of purified sewage at treatment plants (per kl)	
Wegdoen van riool met privaat trokke by rioolsuiweringswerke (per kl)	39.10	34.00	5.10	6.91%	41.80	36.35	5.45	Disposal of sewage by private trucks at sewage treatment works (per kl)	
Leegmaak van chemiese toilette (per toilet/drom)	58.60	50.96	7.64	7.00%	62.70	54.52	8.18	Emptying of chemical toilets (per toilet/drum)	

### 3 VULLISVERWYDERING

### REFUSE REMOVAL

n Pak met 25 sakke in word een maal elke ses maande gratis verskaf aan elke huishouding. Dit sal die bewoner / eienaar se verantwoordelikheid wees om te verseker dat hy/sy dit wel ontvang het.

A pack containing 25 bags is provided free of charge to each household once every six months. It will be the occupant's / owner's responsibility to ensure that he/she has indeed received it.

<b>A Besikbaarheidsfooie</b>					<b>Availability Fees</b>				
Vullis per erf - per jaar	2,201.10	1,914.00	287.10	7.00%	2,355.20	2,047.98	307.22	Refuse per erf - per year	

**B Huishoudelik** **Residential**

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)  Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)  Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
Verwydering 1 maal per week - per maand	319.70	278.02	41.68	20.02%	383.70	333.62	50.08	Removal once per week - per month
Goedverwacht/Wittewater	Werklike Koste / Actual Cost				Werklike Koste / Actual Cost			Goedverwacht/Wittewater

### C Besighede

Die huishoudelike tarief is ook op alle besighede van toepassing as 'n maandelikse minimum diens vir die verwydering van 2 sakke een maal per week. Enige addisionele verwyderings sal soos hieronder aangedui gehê word.

Nuwe Besigheidstarief van toepassing op alle eiendomme en gebruike wat nie onder enkel residensieël resorteer nie.

Die volumes wat elke besigheid genereer sal deur die tegniese departement bevestig word, gebaseer op geskiedenis van hoeveelhede verwyder oor 'n tydperk van 2 maande ten einde die minimum hoeveelheid per besigheid te bereken. (Elke 3 swartsakke verteenwoordig een huishoudelike eenheid, 20% korting word toegestaan op 9 sakke en meer)

### Commercial

The household tariff also applies to all businesses as a monthly minimum service for the removal of 2 bags once a week. Any additional removals will be charged as indicated below.

New Business tariff applicable to all properties and users that do not fall under single residential.

The volumes generated by each business will be confirmed by the technical department, based on the history of quantities removed over a period of 2 months in order to calculate the minimum quantity per business. (Every 3 black bags represent one household unit, a 20% discount is granted on 9 bags and more)

#### Besighede een maal per week

Besigheid een maal per week 6 sakke maksimum	533.00	463.48	69.52	20.00%	639.60	556.17	83.43	Business once a week 6 bags maximum
Besigheid een maal per week 9 sakke maksimum	799.60	695.30	104.30	20.00%	959.50	834.35	125.15	Business once a week 9 bags maximum
Besigheid een maal per week 12 sakke maksimum	1,066.10	927.04	139.06	20.00%	1,279.30	1,112.43	166.87	Business once a week 12 bags maximum
Besigheid een maal per week 15 sakke maksimum	1,332.60	1,158.78	173.82	20.00%	1,599.10	1,390.52	208.58	Business once a week 15 bags maximum
Besigheid een maal per week 18 sakke maksimum	1,599.10	1,390.52	208.58	20.00%	1,918.90	1,668.61	250.29	Business once a week 18 bags maximum
Besigheid een maal per week 21 sakke maksimum	1,865.70	1,622.35	243.35	20.00%	2,238.80	1,946.78	292.02	Business once a week 21 bags maximum
Vir elke addisionele 3 sakke	273.70	238.00	35.70	19.99%	328.40	285.57	42.83	For each additional 3 bags

#### Businesses once a week

#### Besighede twee maal per week

Besigheid twee maal per week 6 sakke maksimum	1,066.10	927.04	139.06	20.00%	1,279.30	1,112.43	166.87	Business twice a week 6 bags maximum
Besigheid twee maal per week 9 sakke maksimum	1,332.60	1,158.78	173.82	20.00%	1,599.10	1,390.52	208.58	Business twice a week 9 bags maximum
Besigheid twee maal per week 12 sakke maksimum	1,599.10	1,390.52	208.58	20.00%	1,918.90	1,668.61	250.29	Business twice a week 12 bags maximum
Besigheid twee maal per week 15 sakke maksimum	1,865.70	1,622.35	243.35	20.00%	2,238.80	1,946.78	292.02	Business twice a week 15 bags maximum
Besigheid twee maal per week 18 sakke maksimum	2,132.20	1,854.09	278.11	20.00%	2,558.60	2,224.87	333.73	Business twice a week 18 bags maximum
Besigheid twee maal per week 21 sakke maksimum	2,398.70	2,085.83	312.87	20.00%	2,878.40	2,502.96	375.44	Business twice a week 21 bags maximum
Vir elke addisionele 3 sakke	266.50	231.74	34.76	20.00%	319.80	278.09	41.71	For each additional 3 bags
Elke addisionele 3 swartsakke verteenwoordig 'n addisionele enkel residensieël tarief (20% korting geld op eenhede meer as ses swartsakke)	266.50	231.74	34.76	20.00%	319.80	278.09	41.71	Each additional 3 black bags represents an additional single residential rate (20% discount applies to units over six black bags)

#### Businesses twice a week

Enige addisionele verwyderings sal soos hieronder aangedui gehê word. Per vrug of gedeelte daarvan gedurende werksure (Na ure werklike koste)

Any additional removals will be charged as indicated below. Per load or part thereof during working hours (After hours actual cost)

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	
Adisionele verwyderings: op versoek. Per vrag of gedeelte daarvan. (Hierdie heffing sal geld bo en behalwe die besigheidstariewe per sak soos hierbo uiteengesit)	1,176.00	1,022.61	153.39	20.00%	1,411.20	1,227.13	184.07	Additional removals: on request. Per load or part thereof. (This charge will apply in addition to the business tariff per bag as set out above)
Na ure spesiale adisionele verwyderings indien versoek. Per vrag of gedeelte daarvan. (Hierdie heffing sal geld bo en behalwe die besigheidstariewe per sak soos hierbo uiteengesit)	1,764.00	1,533.91	230.09	20.00%	2,116.80	1,840.70	276.10	After-hours additional special removals if requested. Per load or part thereof. (This charge will apply in addition to the business tariff per bag as set out above)
Per vrag of gedeelte daarvan gedurende werksure (Na ure werklike koste)								Per load or part thereof during working hours (After hours actual cost)

### D Tuinullis

### Garden refuse

Per vrag of gedeelte daarvan	287.40	249.91	37.49	20.01%	344.90	299.91	44.99	Per load or part thereof
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### E Vullissakke

### Refuse bags

per pak van 25	66.60	57.91	8.69	19.97%	79.90	69.48	10.42	per pack of 25
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### F Bourommel (Trekker en wa - 3 m<sup>3</sup>)

### Construction debris (Tractor and wagon - 3m<sup>3</sup>)

Per vrag	595.70	518.00	77.70	19.99%	714.80	621.57	93.23	Per load
Halwe vrag	308.30	268.09	40.21	20.01%	370.00	321.74	48.26	Half load

### G Storting van vullis by Beheerde Oorlaaistadies

### Dumping of refuse at Controlled Transfer Stations

Huishoudelik van buite dorpsgebied (3 sakke)	94.10	81.83	12.27	19.98%	112.90	98.17	14.73	Household from outside the town area (3 bags)
Bakkie (0.5 ton - 1 ton)	177.70	154.52	23.18	19.98%	213.20	185.39	27.81	Pickup (0.5 ton - 1 ton)
Vragmotor (1 - 3 ton) half vrag	263.90	229.48	34.42	20.01%	316.70	275.39	41.31	Truck (1 - 3 ton) half load
Vragmotor (1 - 3 ton) vol vrag	531.70	462.35	69.35	19.99%	638.00	554.78	83.22	Truck (1 - 3 tons) full load
Vragmotor (3 - 5 ton) half vrag	531.70	462.35	69.35	19.99%	638.00	554.78	83.22	Truck (3 - 5 tons) half load
Vragmotor (3 - 5 ton) vol vrag	883.00	767.83	115.17	20.00%	1,059.60	921.39	138.21	Truck (3 - 5 tons) full load
Vragmotor (5 - 10 ton) half vrag	883.00	767.83	115.17	20.00%	1,059.60	921.39	138.21	Truck (5 - 10 tons) half load
Vragmotor (5 - 10 ton) vol vrag	1,767.40	1,536.87	230.53	20.00%	2,120.90	1,844.26	276.64	Truck (5 - 10 tons) full load

H Optel van vullis soos bepaal in paragraaf 6.8 van die tariefbeleid. Optel van vullis wat deur die betrokke winkel verkoop/verpak word

Collection of refuse as stipulated in paragraph 6.8 of the Tariff Policy. Collection of refuse sold/packaged by the relevant shop

## 4 WATER

## WATER

### A Besikbaarheidsfooie

### Availability Fees

Water per erf - per jaar	1,081.60	940.50	141.10	7.00%	1,157.30	1,006.34	150.97	Water per erf - per year
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### B Basiese Heffing per maand

### Basic Charge per month

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW		Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT		

<b>Residensieel, insluitend deeltitelskema, woonstelle, geslote ontwikkelinge</b>								<b>Residential, including sectional title scheme, apartments, gated developments</b>
Basiese heffing per erf en/of verbruikspunt per maand waar meerdere selfstandige bewoonbare wooneenhede deur een aansluiting op die netwerk bedien word	71.40	62.12	9.28	7.00%	76.40	66.47	9.93	Basic charge per plot and/or consumption point per month where several independent habitable residential units are served by one connection to the network

<b>Kommersieel / Nywerheid / Institusioneel</b>								<b>Commercial / Industrial / Institutional</b>
Basiese heffing per erf en/of verbruikspunt per maand vir aansluitings kleiner as 50mm	71.40	62.12	9.28	7.00%	76.40	66.47	9.93	Basic charge per plot and/or consumption point per month for connections smaller than 50mm
Basiese heffing per erf en/of verbruikspunt per maand vir aansluitings kleiner as 100mm	213.70	185.83	27.87	7.02%	228.70	198.87	29.83	Basic charge per plot and/or consumption point per month for connections smaller than 100mm
Basiese heffing per erf en/of verbruikspunt per maand vir aansluitings kleiner as 150mm	356.10	309.65	46.45	6.99%	381.00	331.30	49.70	Basic charge per plot and/or consumption point per month for connections smaller than 150mm
Basiese heffing per erf en/of verbruikspunt per maand vir aansluitings kleiner as 200mm	498.60	433.57	65.03	7.00%	533.50	463.91	69.59	Basic charge per plot and/or consumption point per month for connections smaller than 200mm

<b>C Commercial</b>								<b>Commercial</b>
0 - 6	9.50	8.29	1.21	7.37%	10.20	8.87	1.33	0 - 6
7 - 20	23.20	20.21	2.99	7.33%	24.90	21.62	3.28	7 - 20
21 - 50	24.90	21.69	3.21	7.23%	26.70	23.21	3.49	21 - 50
51 - 100	27.40	23.82	3.58	6.93%	29.30	25.49	3.81	51 - 100
101 - 200	28.70	24.94	3.76	6.97%	30.70	26.69	4.01	101 - 200
201 - 1000	27.40	23.82	3.58	6.93%	29.30	25.49	3.81	201 - 1000
1000 - 1500	24.90	21.69	3.21	7.23%	26.70	23.21	3.49	1000 - 1500
1501 - 2000	19.60	17.01	2.59	6.63%	20.90	18.20	2.70	1501 - 2000
2000 +	17.60	15.31	2.29	6.82%	18.80	16.38	2.42	2000 +

<b>D Residential</b>								<b>Residential</b>
0 - 6	9.50	8.29	1.21	7.37%	10.20	8.87	1.33	0 - 6
7 - 13	20.20	17.54	2.66	6.93%	21.60	18.77	2.83	7 - 13
14 - 20	23.90	20.81	3.09	7.11%	25.60	22.27	3.33	14 - 20
21 - 35	29.90	25.96	3.94	6.69%	31.90	27.78	4.12	21 - 35
36 - 50	36.20	31.47	4.73	6.91%	38.70	33.67	5.03	36 - 50
51+	48.20	41.94	6.26	7.05%	51.60	44.88	6.72	51+

<b>F Flat Rate (Sportklubs : Skole : Welsynsorganisasies : Verbruikers buite voormalige munisipale gebied)</b>								<b>Flat Rate (Sports clubs; Schools; Welfare Organizations; Consumers outside former municipal area)</b>
0-500	10.70	9.29	1.41	6.54%	11.40	9.94	1.46	0-500
501+	15.70	13.66	2.04	7.01%	16.80	14.62	2.18	501+

<b>G Rouwater aan Porterville Gholfklub en -Skool</b>	Tarief wat Bergrivier Munisipaliteit aan DWS betaal vir onttrekking uit Bergrivier by Piketberg							<b>Raw water at Porterville Golf Club and School</b>
Nuwe aansluiting	3,929.80	3,417.22	512.58	7.00%	4,204.90	3,656.43	548.47	New connection

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW	7.00%	Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	
Verandering van 15mm na 20 mm	1,994.40	1,734.26	260.14		2,134.00	1,855.65	278.35	Change from 15mm to 20mm

### H Ander

### Other

Bogenoemde tariewe is gebaseer op besparingsmaatreels van 20%, soos deur WCDM bepaal word. Indien hierdie maatreels verder verhoog sal bogenoemde tariewe met 5% verhoog vir elke 5% waarmee die besparingsmaatreels verhoog word.

The above tariffs have been used on a savings measure of 20% as determined by WCDM. If these measures are increased further, the above tariffs will increase by 5% for every 5% by which the savings measures are increased.

## 5 Elektrisiteit

## Electricity

A Besikbaarheidsfooie									Availability Fees
Elektrisiteit per erf - per jaar	2,624.90	2,282.50	342.40	7.00%	2,808.60	2,442.28	366.33		Electricity per erf - per year
B BASIESE HEFFING									BASIC CHARGE
B3 - KVA Aansluitings	3,069.40	2,669.02	400.38	15.10%	3,532.84	3,072.04	460.81		B3 - KVA Connections
C Aanvraag									Demand
Lewenslyn : ( Maksimum van tot 20 amp aansluiting									Lifeline: (Maximum of up to 20 amp connection)
A1 - Enkefase aansluiting hoer as 20 amp	328.90	286.02	42.88	15.11%	378.59	329.21	49.38		A1 - Single phase connection higher than 20 amp
A3 - Driefase aansluiting	1,174.00	1,020.83	153.17	15.10%	1,351.22	1,174.98	176.25		A3 - Three-phase connection
D3 - KVA aansluiting per KVA	321.80	279.82	41.98	15.10%	370.38	322.07	48.31		D3 - KVA connection per KVA
D Verbruik Konvensioneel									Consumption Conventional
1P CONS SINGLE PHASE									1P CONS SINGLE PHASE
0 - 50 kwh	1.5551	1.3523	0.20	15.11%	1.7900	1.5565	0.23		0 - 50 kWh
51 - 350 kwh	1.9815	1.7230	0.26	15.10%	2.2807	1.9832	0.30		51 - 350 kWh
351 - 600 kwh	2.2900	1.9913	0.30	15.10%	2.6358	2.2920	0.34		351 - 600 kWh
601 +	2.5321	2.2018	0.33	15.10%	2.9144	2.5343	0.38		> 600
3P CONS THREE PHASE									3P CONS THREE PHASE
50 kW	2.5079	2.1808	0.33	15.10%	2.8866	2.5101	0.38		50 kW
350 kW	2.5079	2.1808	0.33	15.10%	2.8866	2.5101	0.38		350 kW
600 kW	2.5079	2.1808	0.33	15.10%	2.8866	2.5101	0.38		600 kW
> 600	2.5079	2.1808	0.33	15.10%	2.8866	2.5101	0.38		> 600
KV CONSUMPTION KVA									KV CONSUMPTION KVA
50 kW	1.7446	1.5170	0.23	15.10%	2.0080	1.7461	0.26		50 kW
350 kW	1.7446	1.5170	0.23	15.10%	2.0080	1.7461	0.26		350 kW
600 kW	1.7446	1.5170	0.23	15.10%	2.0080	1.7461	0.26		600 kW
> 600	1.7446	1.5170	0.23	15.10%	2.0080	1.7461	0.26		> 600



## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)  Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)  Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
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LL CONS LIFELINE								LL CONS LIFELINE					
50 kW	1.5551	1.3523	0.20	15.11%	1.7900	1.5565	0.23	50 kW					
350 kW	1.8515	1.6100	0.24	15.10%	2.1311	1.8531	0.28	350 kW					
600 kW	1.9810	1.7226	0.26	15.10%	2.2801	1.9827	0.30	600 kW					
> 600	2.3143	2.0124	0.30	15.10%	2.6637	2.3163	0.35	> 600					

MU CONSUMPTION MUN								MU CONSUMPTION MUN					
50 kW	1.3661	1.1879	0.18	15.10%	1.5724	1.3673	0.21	50 kW					
350 kW	1.3661	1.1879	0.18	15.10%	1.5724	1.3673	0.21	350 kW					
600 kW	1.3661	1.1879	0.18	15.10%	1.5724	1.3673	0.21	600 kW					
> 600	1.3661	1.1879	0.18	15.10%	1.5724	1.3673	0.21	> 600					

### E Verbruik - PRE PAID

### Consumption - PRE PAID

Enkelfase								Single phase					
50 kW	1.5551	1.3523	0.20	15.11%	1.7900	1.5565	0.23	50 kW					
350 kW	1.9997	1.7389	0.26	15.10%	2.3017	2.0015	0.30	350 kW					
600 kW	2.7586	2.3988	0.36	15.10%	3.1752	2.7610	0.41	600 kW					
> 600	3.2401	2.8175	0.42	15.10%	3.7293	3.2429	0.49	> 600					

Life Line								Life Line					
50 kW	1.5551	1.3523	0.20	15.11%	1.7900	1.5565	0.23	50 kW					
350 kW	1.8515	1.6100	0.24	15.10%	2.1311	1.8531	0.28	350 kW					
600 kW	1.9810	1.7226	0.26	15.10%	2.2801	1.9827	0.30	600 kW					
> 600	3.2401	2.8175	0.42	15.10%	3.7293	3.2429	0.49	> 600					

Driefase								Three phase					
50 kW	2.7771	2.4149	0.36	15.10%	3.1964	2.7795	0.42	50 kW					
350 kW	2.7771	2.4149	0.36	15.10%	3.1964	2.7795	0.42	350 kW					
600 kW	2.7771	2.4149	0.36	15.10%	3.1964	2.7795	0.42	600 kW					
> 600	2.7771	2.4149	0.36	15.10%	3.1964	2.7795	0.42	> 600					

### F Aansluitings en Ander Tariewe

### Connections and Other Tariffs

Enkelfase	7,475.80	6,500.70	975.10	7.10%	8,006.58	6,962.25	1,044.34	Single phase					
Drie Fase	14,553.30	12,655.04	1,898.26	7.10%	15,586.58	13,553.55	2,033.03	Three Phase					
Enkelfase - Verander na Vooruitbetaalde	2,821.50	2,453.48	368.02	7.10%	3,021.83	2,627.68	394.15	Single Phase - Change to Prepaid					
Drie Fase - Verander na Vooruitbetaalde	7,475.80	6,500.70	975.10	7.10%	8,006.58	6,962.25	1,044.34	Three Phase - Change to Prepaid					
Heraanluiting (Waar dienste weens wanbetaling gestaak is ingesluit)	159.10	138.35	20.75	7.10%	170.40	148.17	22.23	Reconnection (Where services have been discontinued due to non-payment included)					
Blok/Onblok van voorafbetaalde meters weens wanbetaling	22.60	19.65	2.95	7.10%	24.20	21.05	3.16	Block/Unblock prepaid meters due to non-payment					
Verandering van aansluiting (Amps)	<b>Breker +R100</b>				<b>Breaker +R100</b>				Change of connection (Amps)				
Tydlike aansluiting hoogstens vir 3 maande (Boupersele)	1,961.50	1,705.65	255.85	7.10%	2,100.77	1,826.75	274.01	Temporary connection for a maximum of 3 months (Building sites)					
Huur verdeelkas per dag	402.90	350.35	52.55	7.10%	431.51	375.22	56.28	Rent a distribution box per day					

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	
Invoer Tarief		0,75 c/Kwh			-	0,75 c/Kwh		Import Tariff
Uitroep na-ure - Nie munisipale fout	598.20	520.17	78.03	7.10%	640.67	557.11	83.57	Call out after hours - Not municipal fault

### 6 Eiendomsbelasting

### Property Rates

Eiendomsbelasting is van toepassing op die totale markwaarde van Eiendom soos dit voorkom op die Raad se waardasierol 2022.

Property rates applies to the total market value of Property as it appears on the Council's valuation roll 2022.

A								
Algemene koers van toepassing op alle eiendom uitgesluit die hieronder aangedui	0.01497			7.00%	0.01602			General tariff applicable to all property excluding those indicated below
Eiendom aangedui met gebruik as RESIDENSIEËL in die waardasierol	0.01135			-21.00%	0.00897			Property indicated with use as RESIDENTIAL in the valuation roll
Eiendom aangedui met gebruik as GROEP BEHUISING in die waardasierol								Property indicated with use as GROUP HOUSING in the valuation roll
Eiendom aangedui met gebruik as DEELTITELS in die waardasierol								Property indicated with use as SECTIONAL TITLES in the valuation roll
Eiendom aangedui met gebruik as MUNISIPALE BEHUISING in die waardasierol								Property indicated with use as MUNICIPAL HOUSING in the valuation roll
Eiendom aangedui met gebruik as STAATSEIENDOM in die waardasierol								Property indicated with use as GOVERNMENT PROPERTY in the valuation roll
Eiendom aangedui met gebruik as MUNISIPALE EIENDOM in die waardasierol	0.01135			-21.00%	0.00897			Property indicated with use as MUNICIPAL PROPERTY in the valuation roll
Eiendom aangedui met gebruik as GODSDIENSTIGE EIENDOM in die waardasierol								Property indicated with use as RELIGIOUS PROPERTY in the valuation roll
Eiendom aangedui met gebruik as INSTUTISIONELE EIENDOM in die waardasierol	0.01135			-21.00%	0.00897			Property indicated with use as INSTITUTIONAL PROPERTY in the valuation roll
Eiendom aangedui met gebruik as LANDBOU in die waardasierol (1 : 0.23)	0.00238			-21.00%	0.00188			Property indicated with use as AGRICULTURE in the valuation roll (1 : 0.23)
Eiendom aangedui met gebruik as BESIGHEID in die waardasierol								Property indicated with use as BUSINESS in the valuation roll
Eiendom aangedui met gebruik as KOMMERSIEËL in die waardasierol	0.01249			-21.00%	0.00986			Property indicated with use as COMMERCIAL in the valuation roll
Eiendom aangedui met gebruik as PSI in die waardasierol								Property indicated with use as PSI in the valuation roll
Eiendom aangedui met gebruik as INDUSTRIEËL in die waardasierol	0.01249			-21.00%	0.00986			Property indicated with use as INDUSTRIAL in the valuation roll

### B Kortings

### Rebates

In terme van die Raad se Belastingbeleid word die volgende kortings, onderhewig aan aansoek en goedkeuring soos in die beleid vervat, toegestaan.

In terms of the Council's Rates Policy, the following rebates are granted, subject to application and approval as contained in the policy.

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	
Residensiële eiendom. (Artikel 16(1) en 17(1) van Wet 6 van 2004) eerste bedrag van waarde vrygestel	15,000.00				15,000.00			Residential property. (Section 16(1) and 17(1) of Act 6 of 2004) the first amount of value exempted
Munisipale eiendom (Behalwe eiendom verhuur deur die munisipaliteit)	100%				100%			Municipal property (Except property leased by the municipality)
Institusionele Eiendom	per aansoek goedgekeur 50%				per aansoek goedgekeur 50%			Institutional Property
Pensionarisse : Eienaar wat jaarliks voor 30 Junie bewys kan lewer dat hy/sy 'n PENSIOEN ontvang soos bepaal in die Deernisbeleid van die Raad.	per aansoek goedgekeur 60%				per aansoek goedgekeur 60%			Pensioners: Owner who can provide proof before 30 June every year that he/she receives a PENSION as determined in the Indigent Policy of the Council.
Liefdadigheidsorganisasies, Sportorganisasies, Landbougenootskappe, Hospitale, Begraafplase ens.	per aansoek goedgekeur 100%				per aansoek goedgekeur 100%			Charities, Sports Organisations, Agricultural Societies, Hospitals, Cemeteries, etc.
Landbou gebruik- Korting t.o.v. Huisvesting, voorsiening van riool, elektrisiteit, water, vullis, sport, vervoer en opleiding soos vervat in Eiendomsbelastingbeleid met die voldoening aan voorwaardes	per aansoek goedgekeur tot 'n maksimum van 85% van residensiële				per aansoek goedgekeur tot 'n maksimum van 85% van residensiële			Agricultural use- Discount in relation to Housing, provision of sewerage, electricity, water, refuse, sports, transport, and training as contained in Property Rates Policy with the fulfillment of conditions

### 7 KREDIETBEHEER TARIEWE

### CREDIT CONTROL TARIFFS

Uitstuur van eerste kennisgewing per gewone pos	28.20	24.52	3.68	7.09%	30.20	26.26	3.94	Dispatch of first notice by ordinary post
Uitstuur van finale kennisgewing per geregistreerde pos	56.40	49.04	7.36	6.91%	60.30	52.43	7.87	Dispatch of final notice by registered post
Kennis van Staking van dienste	28.20	24.52	3.68	7.09%	30.20	26.26	3.94	Notice of Discontinuation of Services
Opspoor van debiteur deur middel van opsporingstelsels	225.70	196.26	29.44	7.00%	241.50	210.00	31.50	Tracking of debtor through tracking systems
Uitstuur van aanmaning per e-pos aan kliënt	16.90	14.70	2.20	7.10%	18.10	15.74	2.36	Sending reminder by e-mail to client
Opsoek en uitstuur van vorige rekeninge (per rekening)	5.40	4.70	0.70	7.41%	5.80	5.04	0.76	Search and send out of previous accounts (per account)
Verskaffing van inligting (Harde kopie, per bladsy)	1.60	1.39	0.21	6.25%	1.70	1.48	0.22	Provision of information (Hard copy, per page)
Verskaffing van inligting (Sagte Kopie – elektronies)	56.40	49.04	7.36	6.91%	60.30	52.43	7.87	Provision of information (Soft Copy – electronic)
Akte navraag	22.60	19.65	2.95	7.08%	24.20	21.04	3.16	Deed inquiry

### 8 TOETS VAN METERS

### TEST OF METERS

Per toets, indien die meter foutief is, sal die bedrag op die persoon se rekening gekrediteur word, indien nie, word die bedrag verbeur	1,500.00	1,304.35	195.65	7.00%	1,605.00	1,395.65	209.35	Per test, if the meter is faulty, the amount will be credited to the person's account, if not, the amount will be forfeited
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## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)  Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)  Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
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### 9 DEPARTEMENTELE DIENSTE

### DEPARTMENTAL SERVICES

Riool	163.70	142.35	21.35	7.03%	175.20	152.35	22.85	Sewerage
Vullisverwydering	223.50	194.35	29.15	6.98%	239.10	207.91	31.19	Refuse Removal

### 10 SMOUSE

### PEDDLERS

Geproklaameerde staanplek - per finansiële jaar of pro-rata per maand daarvan vooruitbetaalbaar	864.00	751.30	112.70	7.00%	924.50	803.91	120.59	Proclaimed stand - payable in advance per financial year or pro-rata per month thereof
Informeel handelsentrum - per maand vooruitbetaalbaar	216.00	187.83	28.17	6.99%	231.10	200.96	30.14	Informal trading center - payable monthly in advance
Smous tarief per dag	54.00	46.96	7.04	7.04%	57.80	50.26	7.54	Hawker rate per day

### 11 Administratiewe Dokumentasie

### Administrative Documentation

Per gedrukte lyn								Per printed line
Finansiële state (Aan publiek)	110.00	95.65	14.35	9.09%	120.00	104.35	15.65	Financial statements (To the public)
Begrotings (Aan publiek)	200.00	173.91	26.09	5.00%	210.00	182.61	27.39	Budgets (To the public)
Agendas	140.00	121.74	18.26	7.14%	150.00	130.43	19.57	Agendas
Notule	80.00	69.57	10.43	12.50%	90.00	78.26	11.74	Minutes
Tender Dokument - Drukwerk per blad (Minimum R70)	70.00	60.87	9.13	0.00%	70.00	60.87	9.13	Tender Document - Printing per sheet (Minimum R70)

### 12 INLIGINGSERTIFIKATE

### INFORMATION CERTIFICATES

Uitklarings Admin Koste (Koste per aansoek)	250.00	217.39	32.61	8.00%	270.00	234.78	35.22	Clearances Admin Costs (Costs per application)
Per sertifikaat (Waardasie, Uitklaring, Sonering ens)	185.00	160.87	24.13	8.11%	200.00	173.91	26.09	Per certificate (Valuation, Clearance, Zoning, etc.)

### 13 DIENSTE BYDRAE (Dorpsstigting, Onderverdeling ens)

### SERVICES CONTRIBUTION (Town foundation, Subdivision, etc.)

Tot en met 5 erwe/eenhede - per erf/eenheid + WDM Heffings ( Item c )	24,900.00	21,652.17	3,247.83	6.83%	26,600.00	23,130.43	3,469.57	Up to and including 5 plots/units - per plot/unit + WDM Charges ( Item c )
Meer as 5 erwe soos per diensteooreenkoms + WDM Heffing ( Item c )	Ooreenkoms				Agreement			More than 5 plots as per service agreement + WDM Charge ( Item c )
Weskus DM Water Bydrae ( Gebiede wat water ontvang vanaf Withoogte waterskema )	Soos deur WDM bepaal				As determined by WDM			West Coast DM Water Contribution (Areas receiving water from Withoogte water scheme)

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)  Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)  Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
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### 14 FOTOSTATIESE AFDRUKKE

### PHOTOSTATIC PRINTS

Per bladsy - A4	1.50	1.30	0.20	0.00%	1.50	1.30	0.20	Per page - A4
Per bladsy - A3	2.00	1.74	0.26	0.00%	2.00	1.74	0.26	Per page - A3

### 15 DIVERSE HEFFINGS

### DIVERSE CHARGES

Koste vir ontvangs van buitelandse betalings

Werklike koste/Actual cost

Cost of international payments received

Peuter met enige munisipale diensmeter uitgesluit koste van nuwe meter.	4,200.00	3,652.17	547.83	7.14%	4,500.00	3,913.04	586.96	Tamper with any municipal service meter excluding the cost of a new meter.
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### 16 ALLERLEI

### MISCELLANEOUS CHARGES

Privaatwerke								Private works
Geen masjiene/toerusting word verhuur nie.								No machines/equipment are rented.
Versak van randstene (enkel ingang - 3m)	3,200.00	2,782.61	417.39	6.25%	3,400.00	2,956.52	443.48	Sagging of curbs (single entry - 3m)
Versak van randstene (dubbel ingang - 6m)	4,400.00	3,826.09	573.91	6.82%	4,700.00	4,086.96	613.04	Sagging of curbs (double entry - 6m)

### 17 PLAKKATE

### POSTERS

Algemene plakkate Deposito Per Dorp	670.00			7.46%	720.00			General Posters Deposit Per Town
Verkiessingsplakkate Deposito vir Bergrivier	1,670.00			7.19%	1,790.00			Election posters Deposit for Bergrivier
Advertensieborde	2,500.00	2,173.91	326.09	7.20%	2,680.00	2,330.43	349.57	Billboards

### 18 OPENBARE OOP TERREINE

### PUBLIC OPEN AREAS

Per dag per perseel	1,080.00	939.13	140.87	7.00%	1,155.60	1,004.87	150.73	Per day per site
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### 19 SKUTGELDE

### SECURITY FEES

Voertuie per dag - (plus insleepkoste)	175.00	152.17	22.83	7.03%	187.30	162.87	24.43	Vehicles per day - (plus towing costs)
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## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	

### 20 BEGRAAFPLAASFOOIE ALLE

### CEMETERY FEES FOR ALL CEMETERIES

#### A Inwoners en Belastingbetalers

#### Residents and Taxpayers

Aankoop/bespreek van grafperseel	1,180.00	1,026.09	153.91	6.78%	1,260.00	1,095.65	164.35		Purchase/reservation of grave plot
Kinder Ry (Ditto)	690.00	600.00	90.00	7.25%	740.00	643.48	96.52		Children row (Ditto)
Muur van Herinnering (verassing)	1,580.00	1,373.91	206.09	6.96%	1,690.00	1,469.57	220.43		Wall of Remembrance (ashes)
Oopmaak van graf (Duplex, dubbel of bespreekte)	460.00	400.00	60.00	6.52%	490.00	426.09	63.91		Opening of grave (Duplex, double or reserved)
Toemaak van duplex graf per hand (Duplex, dubbel of bespreekte)	230.00	200.00	30.00	8.70%	250.00	217.39	32.61		Closing duplex grave by hand (Duplex, double, or booked)
Adisionele uitgrawing vir uitbou van graf	470.00	408.70	61.30	6.38%	500.00	434.78	65.22		Additional excavation for expansion of grave
Gebruik van laaigraaf om grafte toe te gooi	1,000.00	869.57	130.43	7.00%	1,070.00	930.43	139.57		Use of backhoe to fill graves

Geregistreeerde deernis persone en hulle wettige getroude gades wat staatsouderdompensioen (SASSA) ontvang, kwalifiseer vir 50% korting op begraafplaasfooie.

Registered indigent persons and their legally married spouses that receives Government Old Age Pension (SASSA), qualify for a 50% discount on cemetery fees.

#### B Nie-Munisipale Inwoners tydens sterfte

#### Non-Municipal Residents at death

Aankoop/bespreek van grafperseel	1,770.00	1,539.13	230.87	6.78%	1,890.00	1,643.48	246.52		Purchase/reservation of grave plot
Kinder Ry (Ditto)	1,030.00	895.65	134.35	6.80%	1,100.00	956.52	143.48		Children row (Ditto)
Muur van Herinnering (verassing)	2,360.00	2,052.17	307.83	7.20%	2,530.00	2,200.00	330.00		Wall of Remembrance (ashes)
Oopmaak van graf (Duplex, dubbel of bespreekte)	460.00	400.00	60.00	6.52%	490.00	426.09	63.91		Opening of grave (Duplex, double, or reserved)
Toemaak van duplex graf per hand (Duplex, dubbel of bespreekte)	230.00	200.00	30.00	8.70%	250.00	217.39	32.61		Closing duplex grave by hand (Duplex, double or booked)
Adisionele uitgrawing vir uitbou van graf	470.00	408.70	61.30	6.38%	500.00	434.78	65.22		Additional excavation for expansion of grave
Gebruik van laaigraaf om grafte toe te gooi	1,000.00	869.57	130.43	7.00%	1,070.00	930.43	139.57		Use of backhoe to fill graves

#### C ARMLASTIGE BEGRAFNISSIE

#### PAUPER'S BURIALS

Die bepaling van toepaslike wetgewing sal geld

The provisions of applicable legislation will apply

Enkel Graf + Kis	1,242.00	1,080.00	162.00	7.00%	1,328.90	1,155.57	173.33		Single Grave + Casket
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### 21 WOONWAPARKE & STRANDDOORDE

### RESIDENTIAL PARKS & BEACH RESORTS

Die volle bedrag vir besprekings vir Desember/Januarie moet teen 31 Augustus betaal wees. Spesiale versoeke sal op meriete deur die Direkteur: Gemeenskapsdienste oorweeg word.

The full amount for bookings for December/January must be paid by 31 August. Special requests will be considered on merit by the Director: Community Services.

n Verpligte nie-terugbetaalbare aansoekfooi van R250 vir alle besprekings vir seisoen besprekings is betaalbaar. Indien die aansoekfooi nie betaal is nie, sal die aansoek nie oorweeg word nie.

A mandatory non-refundable application fee of R250 for all bookings for season bookings is payable. If the application fee has not been paid, the application will not be considered.

Korting van 15% vir persone 60 jaar en ouer (pensioenarisse) word buite seisoen toegestaan vanaf Maandae tot Donderdae. (Maksimum 2 persone per perseel).

A discount of 15% for persons aged 60 and over (pensioners) is granted out of season from Mondays to Thursdays. (Maximum 2 persons per premises).

n Standaard afslag van 10% word buite seisoen toegestaan aan groepbesprekings van 5 of meer huisies / persele en/of 5 rondawels.

A standard discount of 10% is granted out of season to group bookings of 5 or more cottages / plots and/or 5 apartments.

Die binne seisoen word beskou as die periode vanaf 01 Desember tot 15 Januarie asook Paasaweek.

The peak-season is considered to be the period from 01 December to 15 January as well as Easter weekend.

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		15% VAT	
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)			15% VAT	
Geen dagkampering by strandoorde word toegelaat.						

Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	
Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
No day camping at beach resorts is allowed.			

### Kansellasië beleid:

Nie-Arriveer - 100% van besprekingsbetaling word verbeur
Kansellasië binne 7 dae van aankomsdatum - 80% van bespreking/betaling word verbeur
Kansellasië meer as 7 dae van aankomsdatum - 50% van bespreking/betaling word verbeur
Kansellasië meer as 30 dae van aankomsdatum - 10% van bespreking/betaling word verbeur
Uitboek voor vertrekdatum - Geen terugbetaling

### Cancellation policy:

No-Arrive - 100% of booking payment forfeited
Cancellation within 7 days of arrival date - 80% of booking/payment is forfeited
Cancellation more than 7 days from arrival date - 50% of booking/payment is forfeited
Cancellation more than 30 days from arrival date - 10% of booking/payment is forfeited
Check out before departure date - No refund

### A Stywelyne Strandoord

### Stywelyne Beach resort

#### a) Karavaan Staanplekke - per dag (6 persone)

#### Caravan stands - per day (6 persons)

Binne Seisoen (1 Desember tot 15 Januarie en Paasnaweek)	486.00	422.61	63.39	7.00%	520.00	452.17	67.83	Peak-Season (1 December to 15 January and Easter weekend)
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Buite Seisoen (16 Januarie - 31 Januarie, Februarie, Maart, April, September, Oktober, November)  
Uitgesonder Paasnaweek

Off-Season (16 January - 31 January, February, March, April, September, October, November)  
Excluding Easter Weekend

Mid-week	170.00	147.83	22.17	5.88%	180.00	156.52	23.48	Mid-week
Naweke	300.00	260.87	39.13	6.67%	320.00	278.26	41.74	Weekends

Buite Seisoen (Winter Tarief) Mei, Junie, Julie en Augustus

Off-Season (Winter Rate) May, June, July and August

Mid-week	110.00	95.65	14.35	9.09%	120.00	104.35	15.65	Mid-week
Naweke	150.00	130.43	19.57	6.67%	160.00	139.13	20.87	Weekends
Maandtarief (Uitgesluit Binne Seisoen)	3,430.00	2,982.61	447.39	7.00%	3,670.00	3,191.30	478.70	Monthly Rate (Excluded In Season)

#### b) Woonstelle - per dag (6 persone)

#### Apartments - per day (6 persons)

Binne Seisoen (1 Desember tot 15 Januarie en Paasnaweek)	1,190.00	1,034.78	155.22	6.72%	1,270.00	1,104.35	165.65	Peak-Season (1 December to 15 January and Easter weekend)
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Buite Seisoen (16 Januarie - 31 Januarie, Februarie, Maart, April, September, Oktober, November)

Off-Season (16 January - 31 January, February, March, April, September, October, November)

Mid-week	710.00	617.39	92.61	7.04%	760.00	660.87	99.13	Mid-week
Naweke	950.00	826.09	123.91	7.37%	1,020.00	886.96	133.04	Weekends

Buite Seisoen (Winter Tarief) Mei, Junie, Julie en Augustus

Off-Season (Winter Rate) May, June, July and August

Mid-week	390.00	339.13	50.87	7.69%	420.00	365.22	54.78	Mid-week
Naweke	630.00	547.83	82.17	6.35%	670.00	582.61	87.39	Weekends

#### c) Seesig Huisies - per dag (6 persone)

#### Sea View Cottages - per day (6 persons)

Binne Seisoen (1 Desember tot 15 Januarie en Paasnaweek)	1,512.00	1,314.78	197.22	7.14%	1,620.00	1,408.70	211.30	Off-Season (1 December to 15 January and Easter weekend)
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## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)  Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)  Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
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<b>Buite Seisoen (16 Januarie - 31 Januarie, Februarie, Maart, April, September, Oktober, November)</b>	<b>Off-Season (16 January - 31 January, February, March, April, September, October, November)</b>
Mid-week	1,188.00    1,033.04    154.96    6.90%    1,270.00    1,104.35    165.65
Naweke	1,296.00    1,126.96    169.04    7.25%    1,390.00    1,208.70    181.30

<b>Buite Seisoen (Winter Tarief) Mei, Junie, Julie en Augustus</b>	<b>Off-Season (Winter Rate) May, June, July and August</b>
Mid-week	550.00    478.26    71.74    7.27%    590.00    513.04    76.96
Naweke	790.00    686.96    103.04    7.59%    850.00    739.13    110.87

d) Addisionele Voertuig - per dag (Slegs Buite Seisoen)	110.00	95.65	14.35	9.09%	120.00	104.35	15.65	Additional Vehicle - per day (Off-Season only)
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**e) Addisionele Besoekers - per dag**

**Additional Visitors - per day**

**Huisies**

**Houses**

Binne Seisoen	108.00	93.91	14.09	11.11%	120.00	104.35	15.65	Peak-Season
Buite Seisoen	81.00	70.43	10.57	11.11%	90.00	78.26	11.74	Off-Season

**Staanplekke**

**Stands**

Binne Seisoen	108.00	93.91	14.09	11.11%	120.00	104.35	15.65	Peak-Season
Buite Seisoen	81.00	70.43	10.57	11.11%	90.00	78.26	11.74	Off-Season

**Addisionele Besoekers - (kinders o/12) per dag**

**Additional Visitors - (children under 12) per day**

Binne en buite seisoen	54.00	46.96	7.04	11.11%	60.00	52.17	7.83	Peak- and off-season
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**f) Dagkampering**

**Day camping**

Dagkampeerders / Besoekers - insluitend swembadfooi								Day Campers / Visitors - including pool fee
Motorvoertuie & sleepwaens (Slegs binne seisoen)	n/a				n/a			Motor vehicles & trailers (In season only)
Busse / Vragmotors	n/a				n/a			Buses / Trucks

**g) Permanente Inwoners**

**Permanent Residents**

Persele met Elektrisiteit - per maand	970.00	843.48	126.52	7.22%	1,040.00	904.35	135.65	Premises with Electricity - per month
Persele sonder Elektrisiteit - per maand	1,300.00	1,130.43	169.57	6.92%	1,390.00	1,208.70	181.30	Premises without Electricity - per month

**B Dwarskersbos Strandoord**

**Dwarskersbos Beach resort**

**a) Karavaan Staanplekke - per dag (6 persone)**

**Caravan stands - per day (6 persons)**

Binne Seisoen (1 Desember tot 15 Januarie en Paasaweek)	530.00	460.87	69.13	7.55%	570.00	495.65	74.35	Peak-Season (1 December to 15 January and Easter weekend)
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## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW		15% VAT				
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)							
				<b>Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig</b>	<b>Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig</b>	<b>15% BTW</b>			<b>15% VAT</b>
				<b>Tariff from 1 July 2023 (Including 15% VAT) Provisional</b>	<b>Tariff from 1 July 2023 (Excluding 15% VAT) Provisional</b>				
									Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
<b>Buite Seisoen (16 Januarie - 31 Januarie, Februarie, Maart, April, September, Oktober, November)</b> <b>Uitgesonder Paasnaweek</b>									<b>Off-Season (16 January - 31 January, February, March, April, September, October, November)</b> <b>Excluding Easter Weekend</b>
Mid-week	170.00	147.83	22.17	5.88%	180.00	156.52	23.48		Mid-week
Naweke	300.00	260.87	39.13	6.67%	320.00	278.26	41.74		Weekends
<b>Buite Seisoen (Winter Tarief) Mei, Junie, Julie en Augustus</b>									<b>Off-Season (Winter Rate) May, June, July and August</b>
Mid-week	110.00	95.65	14.35	9.09%	120.00	104.35	15.65		Mid-week
Naweke	150.00	130.43	19.57	6.67%	160.00	139.13	20.87		Weekends
Maandtarief (Uitgesluit Binne Seisoen)	3,430.00	2,982.61	447.39	7.00%	3,670.00	3,191.30	478.70		Monthly Rate (Excluded In Season)
<b>b) Rondawels - per dag (6 persone)</b>									<b>Apartments - per day (6 persons)</b>
Binne Seisoen (1 Desember tot 15 Januarie en Paasnaweek)	840.00	730.43	109.57	7.14%	900.00	782.61	117.39		Peak-Season (1 December to 15 January and Easter weekend)
<b>Buite Seisoen (16 Januarie - 31 Januarie, Februarie, Maart, April, September, Oktober, November)</b>									<b>Off-Season (16 January - 31 January, February, March, April, September, October, November)</b>
Mid-week	630.00	547.83	82.17	6.35%	670.00	582.61	87.39		Mid-week
Naweke	710.00	617.39	92.61	7.04%	760.00	660.87	99.13		Weekends
<b>Buite Seisoen (Winter Tarief) Mei, Junie, Julie en Augustus</b>									<b>Off-Season (Winter Rate) May, June, July and August</b>
Mid-week	320.00	278.26	41.74	6.25%	340.00	295.65	44.35		Mid-week
Naweke	390.00	339.13	50.87	7.69%	420.00	365.22	54.78		Weekends
<b>c) Woonstelle - per dag (6 persone)</b>									<b>Sea View Cottages - per day (6 persons)</b>
Binne Seisoen (1 Desember tot 15 Januarie en Paasnaweek)	1,190.00	1,034.78	155.22	6.72%	1,270.00	1,104.35	165.65		Off-Season (1 December to 15 January and Easter weekend)
<b>Buite Seisoen (16 Januarie - 31 Januarie, Februarie, Maart, April, September, Oktober, November)</b>									<b>Off-Season (16 January - 31 January, February, March, April, September, October, November)</b>
Mid-week	710.00	617.39	92.61	7.04%	760.00	660.87	99.13		Mid-week
Naweke	950.00	826.09	123.91	7.37%	1,020.00	886.96	133.04		Weekends
<b>Buite Seisoen (Winter Tarief) Mei, Junie, Julie en Augustus</b>									<b>Off-Season (Winter Rate) May, June, July and August</b>
Mid-week	390.00	339.13	50.87	7.69%	420.00	365.22	54.78		Mid-week
Naweke	630.00	547.83	82.17	6.35%	670.00	582.61	87.39		Weekends
<b>d) Addisionele Voertuig - per dag (Slegs Buite Seisoen)</b>	80.00	69.57	10.43	12.50%	90.00	78.26	11.74		<b>Additional Vehicle - per day (Off-Season only)</b>
<b>e) Geen Addisionele Persoon meer as toelaatbaar - per dag</b>									<b>No Additional Person more than allowed - per day</b>

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT

Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	

### f) Dagkampering

Dagkampeerders / Besoekers - insluitend swembadfooi									Day Campers / Visitors - including pool fee
Motorvoertuie & sleepwaens (Slegs binne seisoen)	n/a				n/a				Motor vehicles & trailers (In season only)
Busse / Vragmotors	<b>Nie Toegelaat</b>				<b>Not allowed</b>				Buses / Trucks

### g) Saal

Deposito	1,100.00	956.52	143.48	7.27%	1,180.00	1,026.09	153.91	Hall Deposit
Huur	1,480.00	1,286.96	193.04	6.76%	1,580.00	1,373.91	206.09	Hall Rent
Skoolgroepe - per kop	30.00	26.09	3.91	0.00%	30.00	26.09	3.91	Hall School groups - per person

### h) Sleuteldeposito's

Alle wooneenhede								Key deposits All residential units
Tag - kampeerstaanplekke (uitgesluit binne seisoen)								Tag - camping pitches (excluded in season)

## 22 GEMEENSKAP - EN ANDER SALE

## COMMUNITY - AND OTHER HALLS

(Aansoek om GRATIS gebruik van enige saal moet aan die MUNISIPALE BESTUURDER gerig word, waarna dit op meriete oorweeg sal word. Die bespreking van die saal moet dan ook self gedoen word.)

(Application for FREE use of any hall must be addressed to the MUNICIPAL MANAGER, after which it will be considered on its merits. The reservation of the hall must then also be done yourself.)

Die Gemeenskapsale word nie uitverhuur/beskikbaar gestel vir individue wat fondsinsamelings/danse en/of opvoerings aanbied vir eie gewin nie.

The Community Halls are not rented out/made available to individuals who host fundraisers/dances and/or performances for their own profit.

### A GEMEENSKAPSALE

### COMMUNITY HALLS

#### a) Enige geleentheid waarvoor enige vorm van toegang gevra word.

Any event for which any form of access is requested.

Huur	460.00	400.00	60.00	6.52%	490.00	426.09	63.91	Rent
Deposito	860.00			6.98%	920.00			Deposit
Kombuis - huur	230.00	200.00	30.00	8.70%	250.00	217.39	32.61	Kitchen - rent

#### b) Enige geleentheid waarvoor geen vorm van toegang gevra word nie.

Any event for which no form of entry is requested.

Huur	230.00	200.00	30.00	8.70%	250.00	217.39	32.61	Rent
Deposito	450.00			6.67%	480.00			Deposit
Kombuis - huur	230.00	200.00	30.00	8.70%	250.00	217.39	32.61	Kitchen - rent

### B BIBLIOTEEKSALE (Maksimum 100 persone)

### LIBRARY HALLS (Maximum 100 persons)

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)	15% BTW
	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT

Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig	15% BTW	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	

a) Slegs geleentede waarvoor geen vorm van toegang gevra word.

Only events for which no form of entry is requested.

Huur	230.00	200.00	30.00	8.70%	250.00	217.39	32.61	Rent
Deposito	230.00			8.70%	250.00			Deposit
Hoof Kombuis (Breekgoed ingesluit)	230.00	200.00	30.00	8.70%	250.00	217.39	32.61	Kitchen - rent

### C STADSAAL

### TOWN HALL

a) Enige geleentheid

Any occasion

Huur	2,280.00	1,982.61	297.39	7.02%	2,440.00	2,121.74	318.26	Rent
Deposito	1,070.00			6.54%	1,140.00			Deposit

### 23 Raadsfasiliteite

### Council facilities

Aansoek om GRATIS gebruik van enige fasiliteite van die Raad moet aan die MUNISIPALE BESTUURDER gerig word, waarna dit op meriete oorweeg en goedkeur word. Die bespreking daarvan moet dan ook deur die munisipale bestuurder gedoen word.

Application for FREE use of any of the Council's facilities must be addressed to the MUNICIPAL MANAGER, after which it will be considered and approved on its merits. The discussion must then also be done by the municipal manager.

### 24 SWEMBADDENS

### SWIMMING POOLS

Persone onder die ouderdom van 18 jaar	5.00	4.35	0.65	0.00%	5.00	4.35	0.65	Persons under the age of 18 years
Persone bo die ouderdom van 18 jaar	5.00	4.35	0.65	0.00%	5.00	4.35	0.65	Persons over the age of 18 years

### 25 VERKEER

### TRAFFIC

Begeleidings:

Begeleidings:

Binne werkstyd (per uur of gedeelte daarvan)	400.00			0.00%	400.00			Within working hours (per hour or part thereof)
Na-ure (per uur of gedeelte daarvan)	600.00			0.00%	600.00			After hours (per hour or part thereof)
A Begeleidings (Slegs abnormale vragte)								Escorts (Abnormal loads only)
Binne werkstyd (per uur of gedeelte daarvan)	400.00			0.00%	400.00			Within working hours (per hour or part thereof)
Na-ure (per uur of gedeelte daarvan)	600.00			0.00%	600.00			After hours (per hour or part thereof)
B Diening van Prosesstukke	200.00	173.91	26.09	0.00%	200.00	173.91	26.09	Service of Process Documents
C Uitvoering van lasbrief	200.00	173.91	26.09	0.00%	200.00	173.91	26.09	Execution of warrant
D Events Application fee	250.00	217.39	32.61	0.00%	250.00	217.39	32.61	Events Application fee

### 26 Skiet van Films en Advertensies

### Shooting Films and Commercials

Goedkeuring vir skiet van films en advertensies	2,290.00	1,991.30	298.70	6.99%	2,450.00	2,130.43	319.57	Approval for shooting films and commercials
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## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)  Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)  Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT	Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
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### 27 BRANDWEERGELDE

### FIRE DEPARTMENT FEES

Blus van brand by geboue - per uur	3,580.00	3,113.04	466.96	6.98%	3,830.00	3,330.43	499.57	Extinguishing fire at buildings - per hour
Blus van veld en ander brande - per uur	1,070.00	930.43	139.57	6.54%	1,140.00	991.30	148.70	Extinguishing field and other fires - per hour
Brandveiligheid Inspeksie - per inspeksie	840.00	730.43	109.57	7.14%	900.00	782.61	117.39	Fire Safety Inspection - per inspection

### BRANDWEERDIENSTE GELEWER AAN ANDER OWERHEDE

### FIRE SERVICE PROVIDED TO OTHER AUTHORITIES

Bywoning van enige voorval, ongeag die aantal voertuie en persoonlik (vir eerste uur)	2,660.00	2,313.04	346.96	7.14%	2,850.00	2,478.26	371.74	Attendance of any incident irrespective of number of vehicles and personal (for first hour)
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Na die eerste uur sal die volgende tariewe van toepassing wees:

After the first hour, the following tariffs will be applicable:

Groot / Medium toestel Reddingspompe / Lugtoestel Insluitend Persoonlik ( Standby ) (per uur of gedeelte daarvan)	1,330.00	1,156.52	173.48	6.77%	1,420.00	1,234.78	185.22	Major / Medium appliance Rescue pumps / Aerial appliance Including Personal ( Standby ) (per hour or part thereof)
Hazmat-eenheid (per uur of deel daarvan)	1,330.00	1,156.52	173.48	6.77%	1,420.00	1,234.78	185.22	Hazmat Unit (per hour or part thereof)
Hulptoestel (insluitend mannekrag) Veld-, ligte/swaar redding, Hazmat-eenhede (bystand) (per uur of deel daarvan)	730.00	634.78	95.22	6.85%	780.00	678.26	101.74	Auxiliary appliance ( inclusive of manpower ) Off-road , light/heavy rescue, Hazmat units ( Standby ) (per hour or part thereof)
Diensvoertuie (insluitend mannekrag) LDV's en vervoerders (bystand) (per uur of gedeelte daarvan)	730.00	634.78	95.22	6.85%	780.00	678.26	101.74	Service vehicles ( inclusive of manpower ) LDV's and transporters ( Standby )
Sleepwaens en eenhede (insluitend mannekrag) Brandstof/kraansleepwa, BA sleepwa en beveleenheid	420.00	365.22	54.78	7.14%	450.00	391.30	58.70	Trailers and units ( inclusive of manpower ) Fuel/hydrant trailer , BA trailer and command unit ( Standby ) (per

### Personeelkoste (koste indien bykomende personeel benodig word) (bystand)

### Personnel charges ( cost if additional personnel are required ) ( Standby )

Brandweerhoof (per uur of gedeelte daarvan)	348.80	323.00	25.80	7.00%	373.20	373.20	0.00	Chief Fire Officer (per hour or part thereof)
Assistent Brandweerhoof (per uur of gedeelte daarvan)	395.30	366.00	29.30	7.01%	423.00	423.00	0.00	Assistant Chief Fire Officer (per hour or part thereof)
Distriksbevelvoerder (per uur of gedeelte daarvan)	348.80	323.00	25.80	7.00%	373.20	373.20	0.00	District Commander (per hour or part thereof)
Stasie Senior Beampte (per uur of gedeelte daarvan)	308.90	286.00	22.90	6.99%	330.50	330.50	0.00	Station Senior Officer (per hour or part thereof)
Pelotonoffisiere (per uur of gedeelte daarvan)	235.40	218.00	17.40	7.01%	251.90	251.90	0.00	Platoon Officers (per hour or part thereof)
Senior Brandbestryders (per uur of gedeelte daarvan)	169.60	157.00	12.60	7.02%	181.50	181.50	0.00	Senior Fire Fighters (per hour or part thereof)
Brandbestryders (per uur of gedeelte daarvan)	157.70	146.00	11.70	6.98%	168.70	168.70	0.00	Fire Fighters (per hour or part thereof)
Leerder Brandbestryders (per uur of gedeelte daarvan)	132.80	123.00	9.80	7.00%	142.10	142.10	0.00	Learner Fire Fighters (per hour or part thereof)
EPWP Leerder Brandbestryders (per uur of gedeelte daarvan)	49.70	46.00	3.70	7.04%	53.20	53.20	0.00	EPWP Learner Fire Fighters (per hour or part thereof)

Gespesialiseerde verbruikbare materiaal (bystand)	Replacement cost plus 10%	Replacement cost plus 10%	Specialised consumable material ( Standby )
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### Humanitêre oproepe

### Humanitarian calls

Motorvoertuigongelukke	Applicable tariff as in 23.1 - 6	Applicable tariff as in 23.1 - 6	Motor vehicle accidents
Reddings			Rescues

## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)  Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)  Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT		Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
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<b>Spoellings</b>			<b>Spillages</b>
Wesenlik (Pad of spoor)	Applicable tariff as in 23.1 - 6		Major ( Road or rail )

<b>Plantegroei Brande</b>	Applicable tariff as in 23.1 - 6	Applicable tariff as in 23.1 - 6	<b>Vegetation Fires</b>
<b>Diens gelewer buite jurisdiksiegebied</b>	Applicable tariff as in 23.1 - 6 plus 10%	Applicable tariff as in 23.1 - 6 plus 10%	<b>Service rendered outside the area of jurisdiction</b>
<b>Monitoring van insidente</b>	Applicable tariff as in 23.1 - 6	Applicable tariff as in 23.1 - 6	<b>Monitoring of incidents</b>
<b>Gesertifiseerde afskrif van voorvalverslag (per kopie)</b>	170.00	147.83	22.17
	5.88%	180.00	156.52
		23.48	<b>Certified copy of incident report ( Per Copy )</b>

<b>Verskeie dienste en huurkoste</b>							<b>Sundry services and hire charges</b>	
Gebruik van draagbare aanleg en masjinerie: (per uur)	280.00	243.48	36.52	7.14%	300.00	260.87	39.13	Use of portable plant and machinery : ( Per Hour )
Skade van toerusting	Cost plus 10%				Cost plus 10%			Damage of equipment
Gebruik van eksterne dienste	Suppliers Account plus 10%				Suppliers Account plus 10%			Utilisation of external services

<b>Brandvoorkomingstarief</b>								<b>Fire prevention tariff</b>
Hernuwing van Lisensie om petroleum op te berg	600.00	521.74	78.26	6.67%	640.00	556.52	83.48	Renewal of Licence to store petroleum
Goedkeuring van VPG installasie planne (Per uur of gedeelte daarvan)	600.00	521.74	78.26	6.67%	640.00	556.52	83.48	Approval of LPG installation plans ( Per hour or part thereof)
Goedkeuring van petroleumbergingsplanne (Per uur of gedeelte daarvan)	600.00	521.74	78.26	6.67%	640.00	556.52	83.48	Approval of petroleum storage plans ( Per hour or part thereof)
Goedkeuring van grootmaatberging gevaarlike installasie (Per uur of gedeelte daarvan)	600.00	521.74	78.26	6.67%	640.00	556.52	83.48	Approval of bulk storage hazardous installation ( Per hour or part thereof)
Goedkeuring van bouplanne - brandbeskerming / vereistes (Per uur of gedeelte daarvan)	600.00	521.74	78.26	6.67%	640.00	556.52	83.48	Approval of building plans - fire protection / requirements ( Per hour or part thereof)
Inspeksies (Plaasgrond uitgesluit) (Per uur of gedeelte daarvan)	930.00	808.70	121.30	7.53%	1,000.00	869.57	130.43	Inspections ( Excluding Farm Land ) ( Per hour of part thereof)
Herinspeksie ( Per uur of gedeelte daarvan )	930.00	808.70	121.30	7.53%	1,000.00	869.57	130.43	Reinspection ( Per hour of part thereof)
Sertifisering van perseel ( Per uur of gedeelte daarvan )	600.00	521.74	78.26	6.67%	640.00	556.52	83.48	Certification of premises ( Per hour of part thereof)
Uitreiking van beheerbrandpermitte (Per uur of gedeelte daarvan)	850.00	739.13	110.87	7.06%	910.00	791.30	118.70	Issuing of control burning permits ( Per hour of part thereof)
Lede van 'n Brandbeskermingsvereniging	free of charge				free of charge			Members of a Fire Protection Association
Ondersoek ( Per uur of gedeelte daarvan )	930.00	808.70	121.30	7.53%	1,000.00	869.57	130.43	Investigation ( Per hour or part thereof)
Ondersoek (Eksterne Diensverskaffer)	Suppliers account				Suppliers account			Investigation ( External Service Provider)
Lesings / Ontruimingsoefeninge ( Per uur of gedeelte daarvan )	930.00	808.70	121.30	7.53%	1,000.00	869.57	130.43	Lectures / Evacuation drills ( Per hour or part thereof)
Uitreiking van bevoegdheidsertifikaat (Per uur of gedeelte daarvan)	930.00	808.70	121.30	7.53%	1,000.00	869.57	130.43	Issuing of certificate of competency ( Per hour or part thereof)
Openbare Opvoeding	No charge				No charge			Public Education
Goedkeuring van rasonele ontwerpe (per uur of deel daarvan)	600.00	521.74	78.26	6.67%	640.00	556.52	83.48	Approval of rational designs ( Per hour or part thereof)
Goedkeuring van groot gevaarlike installasieverslae (per uur of gedeelte daarvan)	600.00	521.74	78.26	6.67%	640.00	556.52	83.48	Approval of major hazardous installation reports ( Per hour or part thereof)

## TARIEWE / TARIFFS

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### 28 PLANFOOIE

### PLAN FEES

#### A Nie - terugbetaalbare aansoekfooie

#### Non-refundable application fees

Minimum toel van toepassing vir enige aansoek	430.00	373.91	56.09	6.98%	460.00	400.00	60.00	Minimum fee applicable for any application
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#### B Residensiële aansoeke

#### Residential applications

Grensmure p/lm	6.80	5.91	0.89	7.35%	7.30	6.35	0.95	Border walls p/lm
Afdakke p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Awnings p/m2
Swembaddens p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Swimming pools p/m2
Torings	1,380.00	1,200.00	180.00	7.25%	1,480.00	1,286.96	193.04	Towers
Wonings p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Residences p/m2
Motorhuise p/m2	22.60	19.65	2.95	7.08%	24.20	21.04	3.16	Garages p/m2
Wendystrukture vir woon doeleindes p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Wendy structures for residential purposes p/m2
Wendystrukture vir stoor doeleindes p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Wendy structures for storage purposes p/m2
Artikel 13 aansoeke (Ondergeskikte bouwerke)	433.40	376.87	56.53	6.99%	463.70	403.22	60.48	Section 13 applications (Subordinate buildings)

#### C Landbou aansoeke

#### Agricultural applications

Kantore p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Offices p/m2
Torings	2,060.00	1,791.30	268.70	6.80%	2,200.00	1,913.04	286.96	Towers
Afdakke p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Awnings p/m2
Sekuriteits stand p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Security booth p/m2
Grensmure/Heinings	6.80	5.91	0.89	7.35%	7.30	6.35	0.95	Boundary Walls/Fences
Stoor areas p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Storage areas p/m2
Skeepshouers vir kantoor doeleindes p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Shipping containers for office purposes p/m2
Opsigters woning p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Caretakers residence p/m2
Plekke van onderrig (Kleuterskool) p/m2	22.60	19.65	2.95	7.08%	24.20	21.04	3.16	Places of education (Kindergarten) p/m2
Koshuise p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Residences p/m2
Kerke p/m2	22.60	19.65	2.95	7.08%	24.20	21.04	3.16	Churches p/m2

#### D Kommersiële aansoeke

#### Commercial applications

Kantore p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Offices p/m2
Torings	2,060.00	1,791.30	268.70	6.80%	2,200.00	1,913.04	286.96	Towers
Afdakke p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Awnings p/m2
Sekuriteits stand p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Security booth p/m2
Grensmure/Heinings	6.80	5.91	0.89	7.35%	7.30	6.35	0.95	Boundary Walls/Fences
Stoor areas p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53	Storage areas p/m2
Skeepshouers vir kantoor doeleindes p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Skeepshouers vir kantoor doeleindes p/m2
Opsigters woning p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Shipping containers for office purposes p/m2
Plekke van onderrig (Kleuterskool) p/m2	22.60	19.65	2.95	7.08%	24.20	21.04	3.16	Caretakers residence p/m2
Koshuise p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78	Hostels p/m2
Kerke p/m2	22.60	19.65	2.95	7.08%	24.20	21.04	3.16	Churches p/m2

## TARIEWE / TARIFFS

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	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	

### E Industriële aansoeke

Kantore p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78		Offices p/m2
Afdakke p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53		Awnings p/m2
Sekuriteits stand p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53		Security booth p/m2
Grensmure/Heinings	6.80	5.91	0.89	7.35%	7.30	6.35	0.95		Boundary Walls/Fences
Stoor areas p/m2	18.10	15.74	2.36	7.18%	19.40	16.87	2.53		Storage areas p/m2
Skeepsheuers vir kantoor doeleindes p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78		Shipping containers for office purposes p/m2
Opsigtters woning p/m2	27.10	23.57	3.53	7.01%	29.00	25.22	3.78		Caretakers residence p/m2

### F Addisionele fooi sal gehew word indien daar bevind word dat eienaar gebou het sonder goedgekeurde bouplanne en dat die fooi soos volg toegepas sal word:

Residensiële aansoeke	9,630.00	8,373.91	1,256.09	6.96%	10,300.00	8,956.52	1,343.48		Residential applications
Kommersiële aansoeke	28,890.00	25,121.74	3,768.26	6.99%	30,910.00	26,878.26	4,031.74		Commercial applications
Industriële en Landbou aansoeke	19,260.00	16,747.83	2,512.17	7.01%	20,610.00	17,921.74	2,688.26		Industrial and Agricultural applications

An additional fee will be charged if it is found that the owner has built without approved building plans and that fee will be applied as follows:

## 29 GRONDGEBRUIKSBEPLANNING

## LAND USE PLANNING

Publisering van kennisgewings, bediening van kennisgewings asook ander metodes van openbare kennisgewing sal plaasvind ooreenkomstig artikels 45, 46 asook 48 van die Bergrivier Munisipaliteit: Verordening op Munisipale Grondgebruikbeplanning. Advertensie- asook Kennisgewingskoste sal ooreenkomstig gehew word. By gekombineerde aansoeke is die advertensie en kennisgewing kostes slegs eenmalig betaalbaar. By gekombineerde aansoeke sal die mees omvattende aansoek prosedure gevolg word en is die tariewe ooreenkomstig betaalbaar. Geen tariewe is terugbetaalbaar nie. **Staatsgefinansierde behuisingsprojekte betaal slegs 50% van die tarief (uitgesluit kleuterskole/bewaarskole). Grondgebruiksaanoeke wat verband hou met kleuterskole/bewaarskole in alle areas betaal slegs 15% van die tarief.**

Publication of notices, service of notices as well as other methods of public notice will take place in accordance with articles 45, 46 as well as 48 of the Bergrivier Municipality: Bylaw on Municipal Land Use Planning. Advertising and Notification costs will be charged accordingly. For combined applications, the advertisement and notification costs are only payable once. For combined applications, the most comprehensive application procedure will be followed and the rates are payable accordingly. No fares are refundable. **State-funded housing projects pay only 50% of the tariff (excluding kindergartens/preservative schools). Land use applications related to nursery schools/preservative schools in all areas pay only 15% of the rate.**

## TARIEWE / TARIFFS

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	Tariff from 1 July 2022 (Including 15% VAT)	Tariff from 1 July 2022 (Excluding 15% VAT)	15% VAT		Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% VAT	
<b>Type of applications</b>								<b>Type of applications</b>
a rezoning of land;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	rezoning of land;
a permanent departure from the development parameters of the zoning scheme;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a permanent departure from the development parameters of the zoning scheme;
a departure granted on a temporary basis to utilise land for a purpose not permitted in terms of the primary rights of the zoning applicable to the land;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a departure granted on a temporary basis to utilise land for a purpose not permitted in terms of the primary rights of the zoning applicable to the land;
a subdivision of land that is not exempted in terms of section 24, including the registration of a servitude or lease agreement;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a subdivision of land that is not exempted in terms of section 24, including the registration of a servitude or lease agreement;
a consolidation of land that is not exempted in terms of section 24;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a consolidation of land that is not exempted in terms of section 24;
a removal, suspension or amendment of restrictive conditions in respect of a land unit;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a removal, suspension, or amendment of restrictive conditions in respect of a land unit;
a permission required in terms of the zoning scheme;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a permission required in terms of the zoning scheme;
an amendment, deletion or imposition of conditions in respect of an existing approval;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	an amendment, deletion, or imposition of conditions in respect of an existing approval;
an extension of the validity period of an approval;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	an extension of the validity period of an approval;
an approval of an overlay zone as contemplated in the zoning scheme;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	an approval of an overlay zone as contemplated in the zoning scheme;
an amendment or cancellation of an approved subdivision plan or part thereof, including a general plan or diagram;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	an amendment or cancellation of an approved subdivision plan or part thereof, including a general plan or diagram;
a permission required in terms of a condition of approval;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a permission required in terms of a condition of approval;
a determination of a zoning;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a determination of a zoning;
a closure of a public place or part thereof;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a closure of a public place or part thereof;
a consent use contemplated in the zoning scheme;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a consent use contemplated in the zoning scheme;
to disestablish a homeowner's association;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	to disestablish a homeowner's association;
to rectify a failure by a homeowner's association to meet its obligations in respect of the control over or maintenance of services;	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	to rectify a failure by a homeowner's association to meet its obligations in respect of the control over or maintenance of services;
a permission required for the reconstruction of an existing building that constitutes a nonconforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building.	1,174.58	1,021.37	153.21	7.00%	1,256.80	1,092.87	163.93	a permission required for the reconstruction of an existing building that constitutes a nonconforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building.
<b>Advertensie(s)</b>	<b>4,403.63</b>	<b>3,829.24</b>	<b>574.39</b>	<b>47.61%</b>	<b>6,500.00</b>	<b>5,652.17</b>	<b>847.83</b>	<b>Advertisement(s)</b>
<b>Kennisgewing(s)</b>	<b>293.65</b>	<b>255.35</b>	<b>38.30</b>	<b>7.00%</b>	<b>314.20</b>	<b>273.22</b>	<b>40.98</b>	<b>Notice</b>

### 30 Lisensies

### Licenses

Besigheidslisensie (Vermaaklikheidslisensie)	55.30	48.09	7.21	7.05%	59.20	51.48	7.72	Business License (Entertainment License)
Verlenging van drankure	1,380.00	1,200.00	180.00	7.25%	1,480.00	1,286.96	193.04	Extension of drinking hours



## TARIEWE / TARIFFS

Tariewe van toepassing met ingang van eerste rekening wat gelewer word na 1 Julie tensy anders aangedui.	Tarief vanaf 1 Julie 2022 (Ingesluit 15% BTW)  Tariff from 1 July 2022 (Including 15% VAT)	Tarief vanaf 1 Julie 2022 (Uitgesluit 15% BTW)  Tariff from 1 July 2022 (Excluding 15% VAT)	15% BTW  15% VAT	Tarief vanaf 1 Julie 2023 (Ingesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Including 15% VAT) Provisional	Tarief vanaf 1 Julie 2023 (Uitgesluit 15% BTW) Voorlopig  Tariff from 1 July 2023 (Excluding 15% VAT) Provisional	15% BTW  15% VAT	Tariffs apply with effect from the first statement delivered after 1 July unless otherwise indicated.
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### 31 Skoonmaak van privaat oorgroeide erwe

### Clearing private overgrown plots

Erwe groter as 500m <sup>2</sup>	2,700.00	2,347.83	352.17	7.04%	2,890.00	2,513.04	376.96	Plots larger than 500m <sup>2</sup>
Erwe kleiner as 500m <sup>2</sup>	2,200.00	1,913.04	286.96	6.82%	2,350.00	2,043.48	306.52	Plots smaller than 500m <sup>2</sup>
Administratiewe fooi (Uitgesluit van bostaande syfers)	540.00	469.57	70.43	7.41%	580.00	504.35	75.65	Administrative fee (Excluded from above figures)

**Annexure C**  
**Service Level**  
**Standards**

**Western Cape: Bergervier Municipality (WC013) - Schedule of Service Delivery Standards**

Description Standard	Ref	Year C-2	Year C-1	Year C-0	Current year			Service Level
		Actual Outcome	Actual Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
<b>Solid Waste Removal</b>								
Premise based removal (Residential Frequency)		Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Premise based removal (Business Frequency)		Weekly x2	Weekly x2	Weekly x2	Weekly x2	Weekly x2	Weekly x2	Weekly x2
Bulk Removal (Frequency)		As Required	As Required	As Required	As Required	As Required	As Required	As Required
Removal Bags provided(Yes/No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Garden refuse removal Included (Yes/No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Street Cleaning Frequency in CBD		Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Street Cleaning Frequency in areas excluding CBD		Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
How soon are public areas cleaned after events (24hours/48hours/longer)		24 Hours	24 Hours	24 Hours	24 Hours	24 Hours	24 Hours	24 Hours
Clearing of illegal dumping (24hours/48hours/longer)		1 Day per week	1 Day per week	1 Day per week	1 Day per week	1 Day per week	1 Day per week	1 Day per week
Recycling or environmentally friendly practices(Yes/No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Licensed landfill site(Yes/No)		Closure permits	Closure permits	Closure permits	Closure permits	Closure permits	Closure permits	Closure permits
<b>Water Service</b>								
Water Quality rating (Blue/Green/Brown/N0 drop)		SANS241	SANS241	SANS241	SANS241	SANS241	SANS241	SANS241
Is free water available to all? (All/only to the indigent consumers)		only indigent customers	only indigent customers	only indigent customers	only indigent customers	only indigent customers	only indigent customers	only indigent customers
Frequency of meter reading? (per month, per year)		Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Are estimated consumption calculated on actual consumption over (two months/three months/longer period)		3	3	3	3	3	3	3
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		3	3	3	3	3	3	3
<b>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</b>								
One service connection affected (number of hours)		6 hours	6 hours	6 hours	6 hours	6 hours	6 hours	24 hours
Up to 5 service connection affected (number of hours)		6 hours	6 hours	6 hours	6 hours	6 hours	6 hours	24 hours
Up to 20 service connection affected (number of hours)		6 hours	6 hours	6 hours	6 hours	6 hours	6 hours	24 hours
Feeder pipe larger than 800mm (number of hours)		N/A	N/A	N/A	N/A	N/A	N/A	N/A
What is the average minimum water flow in your municipality?		Sufficient	Sufficient	Sufficient	Sufficient	Sufficient	Sufficient	Sufficient
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes
How long does it take to replace faulty water meters? (days)		3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)		No	No	No	No	No	No	No
<b>Electricity Service</b>								
What is your electricity availability percentage on average per month?		100%	100%	100%	100%	100%	100%	100%
Do your municipality have a ripple control in place that is operational? (Yes/No)		No	No	No	No	No	No	No
How much do you estimate is the cost saving in utilizing the ripple control system?		N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description Standard	Ref	Year C-2	Year C-1	Year C-0	Current year			Service Level
		Actual Outcome	Actual Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
What is the frequency of meters being read? (per month, per year)		Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)		3	3	3	3	3	3	3
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		3	3	3	3	3	3	3
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)								
Are accounts normally calculated on actual readings? (Yes/no)		yes	yes	yes	yes	yes	yes	yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes
How long does it take to replace faulty meters? (days)		3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes
How effective is the action plan in curbing line losses? (Good/Bad)		Good	Good	Good	Good	Good	Good	Good
How soon does the municipality provide a quotation to a customer upon a written request? (days)		14 Working days	14 Working days	14 Working days	14 Working days	14 Working days	14 Working days	14 Working days
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)		3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)		3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)		3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days	3 Working days
<b>Sewerage Service</b>								
Are your purification system effective enough to put water back in to the system after purification?		Yes	Yes	Yes	Yes	Yes	Yes	Yes
To what extend do you subsidize your indigent consumers?		100%	100%	100%	100%	100%	100%	100%
<b>How long does it take to restore sewerage breakages on average</b>								
Severe overflow? (hours)		6 hours	6 hours	6 hours	6 hours	6 hours	6 hours	6 hours
Sewer blocked pipes: Large pipes? (Hours)		6 hours	6 hours	6 hours	6 hours	6 hours	6 hours	24 hours
Sewer blocked pipes: Small pipes? (Hours)		6 hours	6 hours	6 hours	6 hours	6 hours	6 hours	24 hours
Spillage clean-up? (hours)		6 hours	6 hours	6 hours	6 hours	6 hours	6 hours	24 hours
Replacement of manhole covers? (Hours)		24 hours	24 hours	24 hours	24 hours	24 hours	24 hours	24 hours
<b>Road Infrastructure Services</b>								
Time taken to repair a single pothole on a major road? (Hours)		48 Hours	48 Hours	48 Hours	48 Hours	48 Hours	48 Hours	72 Hours
Time taken to repair a single pothole on a minor road? (Hours)		48 Hours	48 Hours	48 Hours	48 Hours	48 Hours	48 Hours	72 Hours
Time taken to repair a road following an open trench service crossing? (Hours)		48 Hours	48 Hours	48 Hours	48 Hours	48 Hours	48 Hours	72 Hours
Time taken to repair walkways? (Hours)		48 Hours	48 Hours	48 Hours	48 Hours	48 Hours	48 Hours	72 Hours
<b>Property valuations</b>								

Description Standard	Ref	Year C-2	Year C-1	Year C-0	Current year			Service Level
		Actual Outcome	Actual Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)		1	1	1	1	1	1	1
Do you have any special rating properties? (Yes/No)		No	No	No	No	No	No	No
<b>Financial Management</b>								
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)		Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease
Are the financial statement outsourced? (Yes/No)		Only for review	Only for review	Only for review	Only for review	Only for review	Only for review	Only for review
Are there Council adopted business process restructuring the flow and management of documentation feeding to Trial Balance?		No	No	No	No	No	No	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?		30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?		No	No	No	No	No	No	No
<b>Administration</b>								
Reaction time on enquiries and requests?		immediately	immediately	immediately	immediately	immediately	immediately	immediately
Time to respond to a verbal customer enquiry or request? (working days)		immediately	immediately	immediately	immediately	immediately	immediately	immediately
Time to respond to a written customer enquiry or request? (working days)		immediately	immediately	immediately	immediately	immediately	immediately	immediately
Time to resolve a customer enquiry or request? (working days)		1-2 days	1-2 days	1-2 days	1-2 days	1-2 days	1-2 days	1-2 days
What percentage of calls are not answered? (5%,10% or more)		5	5	5	5	5	5	5
How long does it take to respond to voice mails? (hours)		NA	NA	NA	NA	NA	NA	NA
Does the municipality have control over locked enquiries? (Yes/No)		yes	yes	yes	yes	yes	yes	yes
Is there a reduction in the number of complaints or not? (Yes/No)		yes	yes	yes	yes	yes	yes	yes
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)		1 day	1 day	1 day	1 day	1 day	1 day	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?		When needed	When needed	When needed	When needed	When needed	When needed	When needed
<b>Community safety and licensing services</b>								
How long does it take to register a vehicle? (minutes)		5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes
How long does it take to renew a vehicle license? (minutes)		5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes
How long does it take to issue a duplicate registration certificate vehicle? (minutes)		5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes
How long does it take to de-register a vehicle? (minutes)		5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes	5 Minutes
How long does it take to renew a drivers license? (minutes)		10 Minutes	10 Minutes	10 Minutes	10 Minutes	10 Minutes	10 Minutes	10 Minutes
What is the average reaction time of the fire service to an incident? (minutes)		15 - 20 Minutes	15 - 20 Minutes	15 - 20 Minutes	15 - 20 Minutes	15 - 20 Minutes	15 - 20 Minutes	15 - 20 Minutes
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)								

Description Standard	Ref	Year C-2	Year C-1	Year C-0	Current year			Service Level
		Actual Outcome	Actual Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)								
<b>Economic development</b>								
How many economic development projects does the municipality drive?		A comprehensive economic strategy	A comprehensive economic strategy	A comprehensive economic strategy	A comprehensive economic strategy	A comprehensive economic strategy	A comprehensive economic strategy	A comprehensive economic strategy
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?		Impossible to quantify	Impossible to quantify	Impossible to quantify	Impossible to quantify	Impossible to quantify	Impossible to quantify	Impossible to quantify
What percentage of the projects have created sustainable job security?		All the projects	All the projects	All the projects	All the projects	All the projects	All the projects	All the projects
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)		yes	yes	yes	yes	yes	yes	yes
<b>Other Service delivery and communication</b>								
Is a information package handed to the new customer? (Yes/No)		No	No	No	No	No	No	No
Does the municipality have training or information sessions to inform the community? (Yes/No)		yes	yes	yes	yes	yes	yes	yes
Are customers treated in a professional and humanly manner? (Yes/No)		yes	yes	yes	yes	yes	yes	yes

**Annexure D**  
**SIME Assessment**  
**Provincial Treasury**



Western Cape  
Government  
**FOR YOU**



Strategic Integrated Municipal Engagement 2023

West Coast District

**Bergrivier Municipality**



# 2023 SIME ASSESSMENT KEY RECOMMENDATIONS

## INTEGRATED PLANNING

### INTEGRATED DEVELOPMENT PLANNING

- The Municipality to consider partnering with the Department of Agriculture to participate in the departmental Food Security Programme, which aims to establish household and community food gardens in the municipal area.
- Investigate the opportunities to make use of dormant municipal commonage land for the purpose of Urban Agriculture.
- Address the issues raised by the Department of Infrastructure in section 2.2.4 of this report dealing with IDP alignment in the adopted IDP.
- Incorporate elements of the District Health Plan in the adopted IDP.

### SPATIAL PLANNING

In order for the MSDF to achieve the priorities, proposals and recommendations it has set out, it is important that the MSDF place a strong emphasis on monitoring and evaluation to ensure that the implementation of the MSDF is taking place. The performance review is also an opportunity to achieve the desired alignment between the MSDF and the IDP through mutually supportive strategies and projects.

### BIODIVERSITY

Certain sector plans may require updating and therefore the SDBIP should highlight this. Bergrivier Municipality has an approved invasive species monitoring, control and eradication plan. However, it was not possible to ascertain what the annual target for clearing and follow-up were for the year under review or the associated budget. The inclusion of a succinct overview of these targets and budgets would be advantageous in next year's assessment.

The Bergrivier SDF has been aligned with the Biodiversity Spatial Plan.

### CLIMATE CHANGE

It would be valuable to see how sustainability and climate change considerations land in the IDP to inform decisions on expenditures by the Municipality. For example, to see the motivation for purchasing generators rather than installing solar PV backup, but especially in terms of the maintenance and build of bulk infrastructure.

### WASTE MANAGEMENT:

#### Waste Management Licensing

The Municipality should prioritize the official closure of their waste disposal facilities. As indicated by the Municipality, the delay in obtaining the commitment from council is due to lack of funding. This has further delayed the authorisation process since 2019 on their waste management licences, which must be amended to include their commencement of decommissioning dates.

The Bergrivier Municipality should consider the use and implementation of the alternative waste management technologies tool of DEA&DP to manage waste and their available landfill airspace more sustainably.

## **Waste Minimisation & Policy Development**

Bergivier Municipality doesn't offer swap shops and buy back centres within its municipal boundaries. The systems form a crucial part in ensuring that the life cycle of reusable items is extended and thus contribute to waste minimisation and subsequently diversion from landfill. More attention should be afforded to these initiatives and to inspire inclusivity within the communities.

It is further recommended that the Municipality prioritises projects that diverts as much organic waste from landfill as possible in accordance with the newly devised organic waste plan.

The Municipality is encouraged to maintain contact with DEA&DP for support and advice to continuously advance the waste minimisation practices in the Municipality.

## **Waste Information Management**

Reporting on the Integrated Pollutant and Waste Information System (IPWIS) must be updated, and continuous and regular waste reporting must be submitted to the IPWIS. Waste diversion initiatives must be reported to the IPWIS. Municipalities are further reminded to report on organic waste to the IPWIS. Through the IPWIS report submissions, the municipality achieved a compliancy score of 100% within this period, thus the municipality is compliant with respect to the National Waste Information regulations.

## **Waste Management Planning**

There should be updates on the implementation of the IWMP in the next Annual Report. The Department will provide municipalities with a reporting template to report on the implementation of their IWMP. The reporting template must be included in the Annual Report submitted to Provincial Treasury and the Provincial Department of Local Government.

# **ECONOMIC AND FINANCIAL SUSTAINABILITY**

- Water infrastructure investment as well the maintenance of existing water provision infrastructure needs to remain a priority to prepare sufficiently for any potential water shortages in the future which could have a negative effect on consumers, municipal revenue as well as the agricultural sector. Investment in bulk infrastructure unlocks the development potential of the area by creating space for capacity development.
- Adequate bulk and service infrastructure is a prerequisite to attracting development and investment in the Municipal Area.
- Exploring partnerships and potential investment opportunities is vital to boost the local economy. Maintenance and upgrading of the roads network and other key economic infrastructure is an important catalyst in unlocking development potential.
- The credibility and sustainability issues raised below in the budget assessment should be addressed before tabling the final budget:
- The accuracy and credibility of the data submitted remains a challenge, mainly due to the data string reporting errors. This requires urgent attention to ensure alignment and accurate reporting for the cash flow data strings and enable accurate analysis of the budget.
- The operating deficit is affected by the non-cash items such as depreciation, the Municipality is reminded of the guidance provided in MFMA Circular No. 115, that depreciation charges must be funded from operational funds. When deprecation is funded, it will assist the Municipality to accumulate sufficient surpluses that must be transferred to cash backed reserves.
- Cross-subsidization from electricity revenues becomes a risk, with the increasing pressures to provide a sustainable service and the electricity consumption decreasing due to load shedding. This will put pressure on the financial performance of the municipality in these uncertain times, of which the cost of a service should be offset through savings identified elsewhere in their operations.

- The Municipality should continue to curb water and electricity losses, with strict maintenance plans and critically review the cost drivers within its expenditure framework during the MTREF.
- Ongoing operational efficiency is required to ensure financial sustainability, as intensified load-shedding and weaker global economic conditions will have an impact on the payment of accounts from both businesses and households. Impact on municipal budgets is likely to come from an increase in indigent household applications and the municipality should anticipate this and consider the cost in the budget.
- The Municipality is urged to maintain a healthy CRR to manage the demands of infrastructure requirements and the impact on future operational budgets while considering the sustainability thereof.
- The Municipality is also encouraged to review the current cost containment policy to be in line with the adjustments that National Treasury and Provincial Treasury have proposed in recent circulars.
- In certain instances where the Municipality has identified utilising intergovernmental contracts such as NT Transversal Contracts, SITA or Provincial Government contracts, the Municipality is encouraged to demonstrate a cost analysis and provide the cost savings when participating in the intergovernmental contracts which is encouraged through the Municipality's Cost Containment Policy.
- The Municipality should utilise a commodity-based strategy for standardisation of item expenditure such as vehicles, equipment and computer equipment, which will assist in determining the sourcing strategies and achieve economies of scale and better savings. Furthermore, this will assist the municipality to identify certain commodities for alternative procurement decisions such as district transversal contracts, framework agreements and bulk procurement.
- It is encouraged that SCM Managers provide strategic sourcing methodologies as part of the budget process upfront to best methods of procurement for capital and operational projects in SA 36 and A38 and further ensure alignment with procurement planning, SDBIP and approved Budget.
- The Municipality is encouraged to review the Capital and Operational Expenditure mSCOA allocations segments to consolidate the same commodities for the procurement planning process to gain maximum economy of scale.

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## LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CBD	Central Business District
CBA	Critical Biodiversity Areas
CMP	Coastal Management Programme
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEA&DP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Human Settlements
DM	District Municipality
DLG	Department of Local Government
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
Kl	Kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour (1 000-watt hours)
LED	Local Economic Development
LUPA	Land Use Planning Act
MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant

MIP	Municipal Infrastructure Plan
MMP	Maintenance Management Plan
MVA	Megavolt Amperes (1 Million volt amperes)
MWh	Megawatt hour (1 Million watt hours)
NRW	Non-revenue Water
NDHS	National Department of Human Settlements
O&M	Operations and Maintenance
PMS	Performance Management Systems
RMP	Road Management Plan
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

## SECTION 1: INTRODUCTION

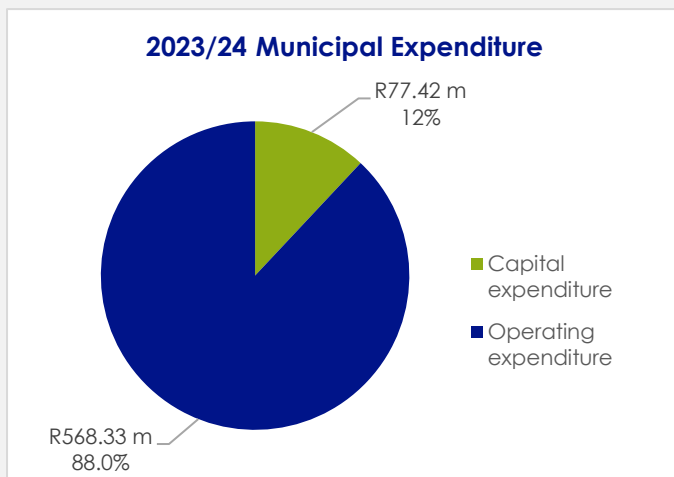
The 2023 SIME assessment encapsulates comments by the Western Cape Government (WCG) on the draft 2023/24 MTREF Budget, 2023/24 Integrated Development Plan (IDP), Spatial Development Framework (SDF) and other associated documents.

The assessment covers the following key areas; conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR); an integrated, spatial and environmental Planning analysis of the IDP and SDF and the responsiveness, credibility and sustainability of the tabled budget.

The WCG plans to meet the executives of your Municipality in May 2023, where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as presented in the draft budget, IDP, LED, SDF and as well as other strategic matters for discussion between the two spheres of government. All the information related to the assessment and analysis of the draft annual budget, IDP and SDF are found in the report below.

The budget snapshot below provides a high-level overview of key socio-economic and financial indicators of the Bergrivier Municipality in relation to the regional economy.

### BUDGET SNAPSHOT



**GDPR Current Prices**  
2021e  
R5.304 billion

**GDPR Growth**  
2023f  
1.0%

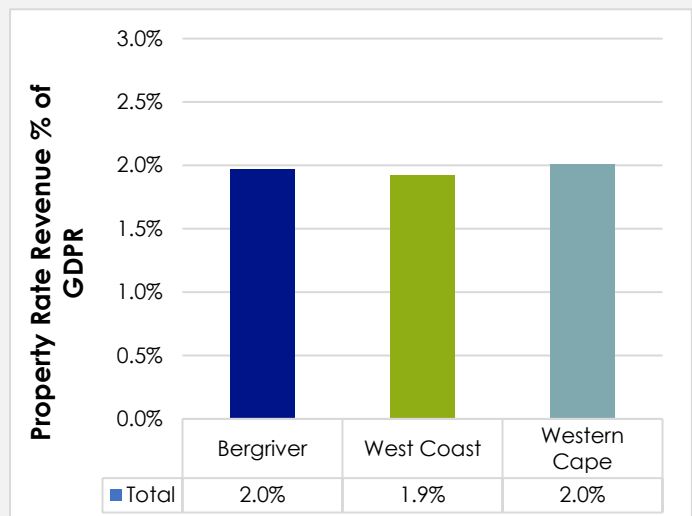
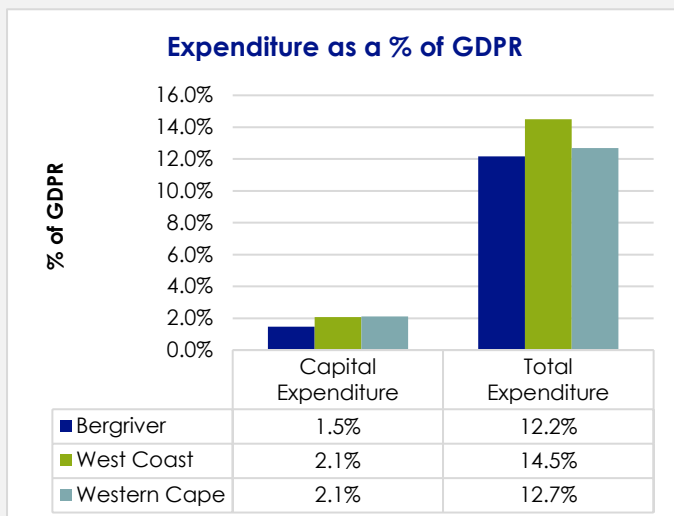
Inflation	2022	2023	2024	2025
	6.9%	5.3%	4.9%	4.7%



**Population**  
2023f  
76 217

**Population Growth**  
2023f  
1.7%

*Disclaimer: Population forecast subject to change upon release of Census 2022.*



Source: Municipal expenditure and revenue estimates - Draft 2023/24 A1 schedule; Population - Stats SA MYPE base year 2022 (Feb. 2023); GDPR - Quantec, 2022.

## **SECTION 2: INTEGRATED PLANNING**

### **2.1 INTEGRATED DEVELOPMENT PLANNING**

#### **2.1.1 Introduction**

An Integrated Development Plan (IDP) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management, and development in a municipality. An IDP provides the strategic direction for all the activities of a municipality over five years linked to the council term of office.

Each municipal council must annually review and may amend the IDP of the municipality. Should the review process determine that an amendment is required, a municipality should follow the process as stipulated in Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations of 2001 (MSA Regulations).

The 2022/23 review of the IDP of Bergrivier Municipality (the Municipality) took into consideration any changed circumstances and an assessment of the performance measurements.

Based on the first review of the 2022 - 2027 IDP, the Municipality intends to adopt an amended IDP in May 2023.

### **2.2 INTEGRATED PLANNING ANALYSIS**

#### **2.2.1 IDP Overview**

The amended IDP entails comprehensive amendments to bring it in line with the Municipality's strategic direction. These amendments include redrafting the municipal vision and mission statements, refining the strategic goals and strategic objectives and updating the chapter reflecting the municipal programmes linked to these goals and objectives. Other notable amendments include an updated alignment section, updated situational analysis and updates to the chapter reflecting the status of municipal master plans.

The amended IDP contains a detailed socio-economic analysis reflecting the level of development in the Municipality making use of data sourced from the 2022 Socio-Economic Profile, 2022 Municipal Economic Review and Outlook, Statistics South Africa Mid-Year Population Estimate and Information Handling Services Market. The analysis provides an overview of the status in respect of population, gender, households, education, health, poverty, safety and security, the economy, employment, and access to basic services.

All erven have access to basic services such as water, sanitation, electricity, and waste disposal. The Municipality, however, acknowledges that the infrastructure for delivering water, electricity, and sanitation services needs improvement, and the areas that require upgrading have been identified in the amended IDP. An emerging challenge is the expanding presence of backyard dwellers due to homeowners renting out structures on their properties. It is difficult to ensure that these backyard dwellers have access to sufficient basic services and a survey is being undertaken by the Municipality to assess the extent of this challenge.

#### **2.2.2 IDP process including community consultation**

In terms of Sections 28 and 29 of the Municipal Systems Act 32 of 2000 (MSA), a municipality must follow a prescribed process when reviewing and/or amending an IDP. The process to be followed must allow for the local community to be consulted on its development needs and priorities, for the community to participate in the drafting of the IDP and for organs of state and other role players to be identified and consulted on the drafting of the IDP.



Furthermore, key activities and deadlines for the process must be set out in a Time Schedule tabled in terms of Section 21 of the Municipal Finance Management Act 56 of 2003 (MFMA).

Further, Regulation 3 of the MSA Regulations provides that a proposal to amend an IDP may only be introduced by a council member or committee of council; that it must be accompanied by a memorandum and that a district municipality must consult with the local municipalities when intending to amend their IDP and that local municipalities must similarly consult the district municipality if they intend to amend their IDP.

The Municipality adopted a Process Plan in May 2022. The Process Plan sets out the stakeholders involved in the IDP process, their respective roles and responsibilities, the need for inter-governmental alignment, and the key activities and deadlines for the five-year cycle of the IDP involving annual reviews. The Time Schedule tabled in August 2022 outlines the key deadlines for the review, drafting and approval of an amendment to the IDP.

In line with Regulation 3 of the MSA Regulations, a memorandum was submitted to Council reflecting the proposed amendments to the IDP. In addition, the Municipality is in the process of consulting the West Coast District Municipality (WCDM) on the proposed amendments.

To improve the quality of public participation outcomes, the municipal area was divided into 14 sectors with the Municipality meeting twice per annum with leaders from these sectors to gather input on its strategic direction. The Municipality also engages with ward committees, convening two series of meetings specifically for the IDP/budget process. The first series, held in September/October each year, aims to gather community input, and prioritise needs across various sectors represented on the ward committees. The second series, held in April of each financial year, allows ward committees to comment on the tabled IDP and Budget.

The development needs identified through the public participation can be viewed on the Municipality's website through a link provided in the IDP.

### **2.2.3 IDP compliance**

The core components of an IDP are set out in section 26 of the MSA and Regulation 2 of the MSA Regulations. An assessment of the IDP reflects compliance with the MSA and its Regulations.

### **2.2.4 IDP alignment**

According to Section 32 of the MSA, the MEC may within 30 days of receiving a copy of an IDP, or within such reasonable period as may be approved, request a municipality to adjust the plan or amendment in accordance with the MEC's proposal if it is in conflict with or is not aligned with or negates any of the development strategies of other affected municipalities or organs of state. Section 26 of the MSA further requires that IDPs must be aligned with and not negate the national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

The amended IDP reflect alignment between the Municipality's strategic goals with various international, national, provincial and district strategic imperatives and plans. This alignment of strategic plans promotes greater coordination and collaboration between government departments and stakeholders, resulting in improved outcomes and more efficient allocation of resources.

The status of all sector plans is reflected in a table contained in the amended IDP. All the sector plans are up to date except for some of the infrastructure master plans such as those for water, sanitation, storm water and electricity. The IDP reflects that a process to update these master plans will commence during 2023.

## **Economic Development**

Economic development is covered in strategic goal four which aims to “facilitate an enabling environment for a diversified economy and growth to alleviate poverty”. In the context of this strategic goal, the Municipality's objectives set includes the improvement of the regulatory environment for ease of doing business, promoting tourism, alleviating poverty through job creation in municipal driven projects and programmes, ensuring all policies and systems support poverty alleviation, and attracting investment through catalytic infrastructure.

The Municipality has a comprehensive Economic Development Strategy that was approved by Council in 2021 and an Economic Recovery Plan due to COVID-19. Both strategies have been incorporated to ensure a single approved Local Economic Development (LED) Strategy. The Municipality has capacity to drive LED through a strategic services department working closely with the Municipal Manager.

The Growth for Jobs (G4J) Strategy spearheaded by the Western Cape Government (WCG), is an "all-of-government" and "all-of-society" strategy that demands dedication, drive, and resource allocation from various sectors including the government, private sector, and civil society, for its success. The time is opportune for the Municipality to not only participate in the initiation of its kick-off, but to critically assess linkages and opportunities and prepare for alignment of planning, collaboration, and joint delivery.

The Municipality is encouraged to partner with the Department of Agriculture (DoA) and participate in the Departmental Food Security Programme, which aims to establish household and community food gardens in the municipal area. This collaboration can assist in ensuring sustainable and equitable development in the Municipality.

The DoA also noted that the Municipality, as part of its Social Resilience Programme, is looking at the aspect of Urban Agriculture. In this regard the Municipality is encouraged to investigate the opportunities there might be to make use of dormant municipal commonage land for this purpose.

## **Municipal Infrastructure, Human Settlements and Transport**

The prolonged drought in the Western Cape in recent years has had a significantly negative impact on the well-being of the province and poses a high risk to the livelihood of many citizens and retaining economic activity and thus job security. Water resources and the availability of water in the Western Cape, are known to be affected by climate change. Changes in rainfall and temperature translate into increased hydro-meteorological variability and uncertainty and result in impacts on stream flows and certain demands. It is commonly known that the province can expect more frequent, intensive, and persistent drought events, which require a holistic methodology and an integrated, collaborative, and coordinated response from all government departments and stakeholders. Water security and climate resilience has therefore become a key priority.

To address this challenge, the WCG registered water security as a transversal risk and the Department of Local Government (DLG) has been designated as the coordinating department for managing the Provincial Transversal Water Risk and identified mitigation measures. A 15-year Water Resilience Plan was completed during the 2022/23 financial year following an extensive consultation process with various stakeholders. The strategic outcome of this Plan is the development of municipal water infrastructure with the purpose of enhancing water resilience through augmenting water supply, water infrastructure capacity upgrading, water source management and water demand management across the province.

The amended IDP reflects bulk water supply as one of the most pressing development issues in the Municipality, ranking high on the priority lists of nearly all towns. Construction of a new reservoir in Piketberg commenced and the Water Treatment Works in Porterville needs to be upgraded to accommodate the need for low-cost housing.

The Water Conservation and Demand Strategy developed in 2021 highlights the importance of water demand management and assisted the Municipality in reducing the water backlogs and losses. The amended IDP highlights the need to commence with investigations regarding water security and to develop additional water sources for Aurora, Redelinghuis and Porterville.

The WCG is determined to ramp up energy security and decrease the reliance on Eskom throughout the province by implementing a comprehensive Western Cape Energy Resilience Programme. As part of the Whole of Government Approach in managing the energy crisis, DLG in collaboration with the Provincial Energy Resilience Team will assist municipalities to pilot various energy solutions, which will include technical advice in this specialised field to find the best-fit energy options, appropriate to the municipalities, as well as assistance with Municipal Energy Planning.

DLG allocated funds to municipalities through the Emergency Municipal Loadshedding Relief Grant, as an urgent response to the increasing frequency and severity of loadshedding affecting municipalities and its impact on basic service delivery, health and the economy. The purpose of the grant is to provide municipalities with a financial contribution towards the purchase and installation of back-up energy supply, which may include generators, renewable power sources, batteries, and all ancillary costs, for water and wastewater infrastructure as an immediate response to prolonged loadshedding.

The amended IDP reflects that loadshedding impacts the Municipality's revenue raising ability and the need, therefore, to adjust the financial plan. The Municipality plans to tighten credit control measures to provide the liquidity required to cushion against the impact of loadshedding and to reduce the reliance on electricity surpluses by collecting more revenue from property rates. It is acknowledged in the amended IDP, that additional sources of electricity need to be sourced to ensure sustainability of supply considering the current level of loadshedding.

In terms of human settlements, the amended IDP does not address the shift that has been made to downscale the delivery of top structures, increase the delivery of serviced sites and prioritise the upgrading of informal settlements. In addition, no projects are identified that align with these new directives (as per Circular 2020).

The amended IDP reflects that a Human Settlements Plan (HSP), with a housing pipeline was developed in 2018, however, it also indicates that a housing strategy and revised pipeline (2018-2028) was approved in 2021. The Department of Infrastructure indicated that the pipeline does not identify project-specific interventions, but rather focuses on the proposed yield per town. This limits the Municipality from adequately strategizing and planning for future development. The Municipality should adopt an approach where project-specific interventions are prioritised and reflected in the IDP to guide forward planning and motivate for funding.

In terms of transport, the amended IDP addresses the Municipality's needs for affordable, safe, reliable, and accessible public transport and infrastructure through the Local Integrated Transport Plan (2020/21-2025/26) that forms part of the District's Integrated Transport Plan (ITP) approved in 2021. One of the most important aspects of the ITP is the need to enhance mobility of the residents within the major towns between the residential areas and the respective central business districts.

### **Health, Social Services and Amenities**

The Municipality is encouraged to incorporate elements of the District Health Plan in the IDP. These include the Department of Health initiative to reduce infectious diseases, promoting healthy lifestyles, preventing violence and injuries, strengthening women's health, improving mental health, and enhancing maternal and child health in the Bergrivier area.

The Municipality and the Department of Social Development signed a Memorandum of Understanding, with the aim of collaborating in addressing social challenges. Proposed initiatives include youth development, skills development, and support for individuals with disabilities. Projects impacting on youth development includes the concept of Youth Café and the Pietie Fredericks Youth Centre in Piketberg.

### **Safe and Cohesive Communities**

The amended IDP provides an overview of safety and security in the Municipality, with a focus on the crime statistics for murder, sexual offences, drug-related offences, driving under the Influence, and residential burglaries from 2019/20 to 2021/22. Furthermore, the Municipality developed and approved a Community and Rural Safety Plan in March 2021. The aim of Community and Rural Safety Plan is to promote safety, security, and resilience in communities and rural areas.

The Municipality approved a revised Disaster Management Plan in 2019/2020, and adopted a Climate Change Adaptation Plan, which outlines measures to adapt to climate change linked to disaster risk reduction.

#### **2.2.5 Outstanding areas for improvement**

The Municipality adequately responded to the identified areas for further improvement outlined in last year's assessment report.

### **2.3 KEY FINDINGS AND RECOMMENDATIONS**

#### **2.3.1 Key findings**

Based on the above assessment, below is a summary of key findings:

- The Municipality complied with all the core components of an IDP as provided for in section 26 of the MSA and Regulation 2 of the MSA Regulations.
- The Municipality to consider partnering with the Department of Agriculture to participate in the Departmental Food Security Programme, which aims to establish household and community food gardens in the municipal area.
- The Municipality to consider the use of dormant municipal commonage land for the purpose of Urban Agriculture.
- The Department of Infrastructure identified a number of aspects related to human settlements that should be addressed in the adopted IDP.
- The Municipality is encouraged to incorporate elements of the District Health Plan in the adopted IDP.

#### **2.3.2 Recommendations**

It is recommended that the Municipality:

- Partner with the Department of Agriculture and participate in the Departmental Food Security Programme.
- Investigate the the opportunities to make use of dormant municipal commonage land for the purpose of Urban Agriculture.
- Address the issues raised by the Department of Infrastructure in section 2.2.4 of this report dealing with IDP alignment in the adopted IDP.
- Incorporate elements of the District Health Plan in the adopted IDP.

## **2.4 ENVIRONMENTAL AND PLANNING ANALYSIS**

### **2.4.1 Compliance, Performance, Implementation and Changing Circumstances**

#### **SPATIAL PLANNING**

Although no performance review was undertaken with regards to the implementation of the MSDF, it is acknowledged that the Municipality is in the process of amending/compiling the MSDF, which will be finalised in 2024. In order for the MSDF to achieve the priorities, proposals and recommendations it has set out, it is important that the MSDF place a strong emphasis on monitoring and evaluation to ensure that the implementation of the MSDF is taking place. The performance review is also an opportunity to achieve the desired alignment between the MSDF and the IDP through mutually supportive strategies and projects. It is anticipated that the updated MSDF will provide the basis for the appropriate monitoring and evaluation of the performance of the MSDF in future. It should also be noted that the Department of Environmental Affairs and Development Planning (DEA&DP) is in the process of drafting a practice note to assist municipalities and to suggest an approach to the performance review of the implementation of the MSDF's. A draft document is currently in its final stages completion and municipalities have been given an opportunity to comment thus far.

The current MSDF does contain a partial Capital Expenditure Framework (CEF), which spatially depicts and outlines the municipal priority projects and housing for each settlement. In each case/project it is clear as to whether these are short, medium or long-term projects, depending on the unique circumstances identified for each. The land budgeting for housing has also been considered. It is anticipated that the amended/redrafted MSDF places more emphasis on the CEF and expand and refine the CEF to provide the necessary guidance to the IDP and budget. Bergrivier Municipality is also a participant in the DBSA CEF Municipal Support Program, which is currently underway and will assist the Municipality with the drafting of their CEF, which will be included in the next iteration of the MSDF.

The current MSDF is dated 2019 and has been a key informant in terms of the identification of priorities and projects in the IDP, specifically with regards to bulk infrastructure and housing. With regards to the correlation between the MSDF and the IDP, there appears to be a link between the two documents in terms of the allocation of the capital budget and achieving the priorities set out in the MSDF. From an IDP perspective, the municipality has prioritised infrastructure and bulk services investment.

#### **BIODIVERSITY MANAGEMENT:**

##### **Biodiversity Spatial Plan**

Please take note of the enabling of certain prescripts in the Western Cape Biodiversity Act, Act 6 of 2021, which includes legislative requirements pertinent to municipalities in terms of a Biodiversity Spatial Plan adopted by the provincial Minister. Sections 36, 37 (1), 37(2)(c), 37(2)(f) and of particular importance, 37(3) of the Western Cape Biodiversity Act should be noted by all municipalities within the Western Cape.

In addition to the above, the current Western Cape Biodiversity Spatial Plan is being revised and an updated version is likely to be adopted in terms of section 36 of the Western Cape Biodiversity Act before the end of the 2023/24 municipal year.

##### **Alien invasive plant clearing**

Municipalities are reminded of the Ecological Infrastructure Investment Framework that was developed for the Western Cape and speaks directly to the clearing of alien invasive plants for water gains, fire and flood risk reduction, and improved food security. Recent inclusions of ecological infrastructure in policies that pertain to municipal infrastructure should be noted. In many areas of the province, alien plants utilise considerably more water than their indigenous counterparts, and the eradication of these plants would

more often than not result in downstream water gains. Additionally, alien plants are known to increase the risk and intensity of wildfires and flooding, which impact on municipal infrastructure as well as require disaster risk response. It is important to keep these relationships in mind when prioritising interventions that aim to augment a municipality's water supply.

## CLIMATE CHANGE

The Climate Change Directorate within DEA&DP led the revision of the Western Cape Climate Change Response Strategy. The 2022 Strategy lists four guiding objectives for climate change response, namely: 1) Responding to the climate emergency, 2) Transitioning in an equitable and inclusive manner to net zero emissions by 2050, 3) Reducing climate risks and increasing resilience, and 4) Enabling a Just Transition through public sector, private sector and civil society collaboration. Each of the Guiding Objectives is supported by a preliminary list of key responses, which are detailed in an Implementation Plan. The Implementation Plan adds detail to the response actions outlined in the strategy and identifies the role players required to drive the actions. It also specifies timeframes for the actions and a framework within which the actions can be evaluated to measure progress and overall impact.

A new resource was provided last year to assist municipalities with the most up to date climate science and projections. The document titled "SmartAgri: Updated Climate Change Trends and Projections for the Western Cape" (2022) was completed for the Western Cape Department of Agriculture by the Climate Systems Analysis Group at the University of Cape Town.

The IDP makes sufficient mention of climate change and includes climate change as a transversal concern affecting many of the technical divisions of the Municipality.

## AIR QUALITY

It is unclear whether an Air Quality Management budget has been allocated in the tabulated draft budget. A budget allocation to implement/ review and adopt the Air Quality Management Plan is to be secured to:

- develop (or update) the Air Quality By-law, inclusive of noise control;
- conduct awareness raising and capacity building;
- monitor ambient air quality (passive or continuous monitoring of air pollutants via either a fully equipped ambient air quality monitoring station or low-cost air quality sensors); and
- implement air quality management intervention strategies in its jurisdiction.

STRATEGIC RISK / ISSUE	PROPOSED ACTION
Noise complaints handling in respect of the Western Cape Noise Control Regulations P.N. 200/2013, for an activity in terms of nuisance or disturbance matters.	The municipality should designate/appoint a Noise Control Officer, in terms of Section 9 of the Western Cape Noise Control Regulations P.N. 200/2013.

## COASTAL MANAGEMENT:

### Coastal Risk

A Coastal Risk Management Policy is being drafted by DEA&DP in conjunction with accompanying regulations for the implementation of the Coastal Management Lines previously delineated by DEA&DP. Municipalities will be alerted/informed to the progress of the said policy and regulations as they will be engaged during the development of both the Policy and the Regulations.

The Municipality should consider identifying/ emphasising the coastal risk areas vulnerable to possible sea-level rise within their municipal area that may require proactive planning and support. From a climate resilience response context, also consider CML circular 004-2021 and the Coastal Erosion Guidelines of November 2020 [https://www.westerncape.gov.za/eadp/files/atoms/files/WC\\_Guidline%20Informing%20Coastal%20Erosion%20Decision-Making.pdf](https://www.westerncape.gov.za/eadp/files/atoms/files/WC_Guidline%20Informing%20Coastal%20Erosion%20Decision-Making.pdf)

The 2<sup>nd</sup> generation Western Cape Provincial Coastal Management Programme “WC PCMP” 2022 - 2027 was adopted by Minister: Local Government, Environmental Affairs and Development Planning on 27 March 2023. The Municipality should please consider the content/stated objectives of the 2<sup>nd</sup> generation WC PCMP in future relevant environmental/planning documents or updates.

The Municipality should consider the use of a CMP implementation plan to assist the tracking of progress in meeting prioritised CMP objectives/goals.

### **Coastal Access Land Designation**

An agreement between the West Coast District Municipality and the Bergrivier Municipality must still be concluded to assign the designation of coastal access land function to the Bergrivier Municipality.

It is noted that on 23 May 2022, the Provincial Coastal Access Bylaws were sent to the Bergrivier Municipality. Subsequently, a draft Municipal Coastal Access Land Bylaw was drafted and advertised by Bergrivier Municipality, however it is unsure if the said bylaw has been adopted as yet. DEA&DP understands that adoption of this bylaw may be dependent on establishing an agreement between the District and Local Municipality.

### **Public Launch Sites**

DEA&DP understands that currently the draft Operational Management Plans for use at the listed Public Launch Sites (PLS) are still in the process of being developed. The Municipality is therefore encouraged to submit the final draft PLS OPs to DEAD&DP for review and approval by the MEC.

### **Coastal Water Quality**

The Municipality should consider promoting additional mitigation measures to avoid increasing pump station failures as a result of load shedding, which may contribute to polluted water to enter into coastal water, e.g., sensitive estuarine environments.

## **WASTE MANAGEMENT**

### **Waste Management Licencing**

The operational waste management facilities include Aurora WDF, Piketberg Recycling, Piketberg WDF, Porterville WDF, Redelinghuys WDF, Velddrif Recycling Facility and Velddrif RTS. Neither internal nor external audits are submitted. The recent departmental audit scores are Porterville WDF 30.22 per cent and Redelinghuys 13.17 per cent. Compliance to the legislated audit requirements is therefore a concern and the municipality must endeavour to improve on these audit scores.

The current integrated waste management infrastructure of the Municipality can accommodate the projected waste quantities over the next 5 years and the Municipality will not be reliant on the regional WDF.

The Municipality should prioritize the official closure of their waste disposal facilities. As indicated by the Municipality, the delay in obtaining the commitment from council is due to a lack of funding. This has further delayed the authorisation process since 2019 on their waste management licences, which must be amended to include their commencement of decommissioning dates.

## **Waste Minimisation & Policy Development**

The Bergrivier municipality has a recently updated integrated waste management by-law (2021) that is aligned to NEM: WA (2008). The municipality by-law was gazetted on 1 April 2022, notice 8579. The municipality has several drop off sites, a Material Recovery Facility, a Separation-at-Source programme and garden waste initiatives in place.

Furthermore, organic waste is sent for composting. Pilot projects are being held for the composting of green waste at the old landfill sites in three areas (Piketberg, Porterville and Velddrif), while green waste from two other areas (Dwarskersbos and Aurora) are sent to Velddrif Transfer Station before being sent for composting. In terms of the diversion of construction and demolition waste (C&D), this is used to cover landfill sites.

The Municipality also distributes flyers and informative pamphlets to households to raise awareness in terms of waste management and illegal dumping in and around schools and communities.

## **Waste Information Management**

### **Period January to December 2022**

The Bergrivier Municipality has 2 waste management facilities registered on IPWIS, namely Velddrif Materials Recovery Facility D05989-01 and Piketberg Waste Reclamation Facility D05991-01. The Municipality submitted a total of 24/24 waste management reports from January to December 2022, i.e., Velddrif Materials Recovery Facility - 12/12 and Piketberg Waste Reclamation Facility - 12/12. 11869 tonnes of waste were disposed to landfills and 5785 tonnes of waste was diverted from landfills. Thus, achieving a diversion rate of 32.8 per cent for the period. The Municipality does not divert organic waste.

## **2.4.2 KEY FINDINGS, RECOMMENDATIONS**

### **SPATIAL PLANNING**

In order for the MSDF to achieve the priorities, proposals and recommendations it has set out, it is important that the MSDF place a strong emphasis on monitoring and evaluation to ensure that the implementation of the MSDF is taking place. The performance review is also an opportunity to achieve the desired alignment between the MSDF and the IDP through mutually supportive strategies and projects.

### **BIODIVERSITY**

In terms of compliance, certain sector plans may need updating and therefore the SDBIP should highlight this. Bergrivier municipality has an approved invasive species monitoring, control and eradication plan. However, it was not possible to ascertain what the annual target for clearing and follow-up were for the year under review or the associated budget. The inclusion of a succinct overview of these targets and budgets would be advantageous in next year's assessment.

In terms of spatial alignment between the SDF and the Biodiversity Spatial Plan, it was noted, with thanks, that the Bergrivier SDF has been aligned with the Biodiversity Spatial Plan.

### **CLIMATE CHANGE**

It would be valuable to see how sustainability and climate change considerations land in the IDP to inform decisions on expenditures by the Municipality. For example, to see the motivation for purchasing generators rather than installing solar PV backup, but especially in terms of the maintenance and build of bulk infrastructure.



## **WASTE MANAGEMENT**

### **Waste Management Licensing**

The Municipality should prioritize the official closure of their waste disposal facilities. As indicated by the Municipality, the delay in obtaining the commitment from council is due to lack of funding. This has further delayed the authorisation process since 2019 on their waste management licences, which must be amended to include their commencement of decommissioning dates.

The Bergrivier Municipality should consider the use and implementation of the alternative waste management technologies tool of DEA&DP to manage waste and their available landfill airspace more sustainably.

### **Waste Minimisation & Policy Development**

Bergrivier Municipality doesn't offer swap shops and buy back centre within its municipal boundaries. The systems form a crucial part in ensuring that the life cycle of reusable items is extended and thus contribute to waste minimisation and subsequently diversion from landfill. More attention can be afforded to these and to inspire inclusivity within the communities. It is further recommended that the Municipality prioritises on projects that diverts as much organic waste from landfill as possible in accordance with the newly devised organic waste plan.

It is also recommended that the municipality maintains contact with DEA&DP for support and advice to continuously advance the waste minimisation practices in the municipality.

### **Waste Information Management**

Reporting on the IPWIS must be updated and continuous and regular waste reporting must be submitted to the IPWIS. Waste diversion initiatives must be reported to the IPWIS. Municipalities are reminded to report on organic waste to the IPWIS. Through the IPWIS report submissions the municipality achieved a compliance score of 100 per cent within this period, thus the municipality is compliant with respect to the National Waste Information regulations.

### **Waste Management Planning**

There should be updates on the implementation of the IWMP in the next Annual Report. The Department will provide municipalities with a reporting template to report on the implementation of their IWMP. The reporting template must be included in the Annual Report submitted to Provincial Treasury and the Provincial Department of Local Government.

## SECTION 3: ECONOMIC and FINANCIAL SUSTAINABILITY

### 3.1 INTRODUCTION

This section provides an assessment of key indicators related to the responsiveness, credibility and sustainability of the tabled budget.

Key to assessing the above criteria is the alignment of the municipality's budget to its strategic objectives, where there are gaps identified, recommendations will be provided considering the municipal areas current socio-economic challenges.

The finance and risk capacity section provide a gap analysis with regards to trading services, analysing the credibility, tariff structure and responsiveness of the municipality's budget.

As capital infrastructure development is a key catalyst for economic growth and sustainability, the municipality's capital finding mix, capital budget implementation and procurement planning assessment are critical to understand the municipal area's growth trajectory.

### 3.2 SUSTAINABLE ECONOMIC DEVELOPMENT

#### 3.2.1 Key budget priorities in terms of IDP Strategic Objectives

This section assesses whether the budget is aligned to the Integrated Development Plan (IDP) of the municipality, specifically to the municipality's strategic objectives. The extent to which national and provincial priorities and plans were considered is also analysed and well as progress towards reaching key national development goals.

**Table 1 Strategic Objectives for the 2023/24 Medium Term Revenue & Expenditure Framework**

Strategic Objective	2023/24 Medium Term Revenue & Expenditure Framework OPEX				2023/24 Medium Term Revenue & Expenditure Framework CAPEX			
	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26	Average Annual Growth	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26	Average Annual Growth
SG1: Strengthen financial sustainability and further enhancing good governance.	43 497	43 957	46 420	%	4 005	1 270	850	-53.9%
SG2: Ensure good governance.	61 108	64 665	68 029	5.5%	1 666	75	30	-86.6%
SG3: Sustainable service delivery.	319 504	344 808	370 593	7.7%	58 071	60 713	49 411	-7.8%
SG4: Facilitate an enabling environment for a diversified economy and growth to alleviate poverty.	50 271	18 919	86 107	30.9%	2 950	-	1 200	-36.2%
SG5: Empowering people through	93 955	98 479	103 867	5.1%	10 731	11 255	19 178	33.7%
<b>Total Expenditure</b>	<b>568 332</b>	<b>570 825</b>	<b>675 016</b>	<b>9.0%</b>	<b>77 423</b>	<b>73 313</b>	<b>70 669</b>	<b>-4.5%</b>

Source: Bergvriër Municipality, A-Schedules

#### Comments

- Bergvriër Municipality has presented a 2023/24 MTREF budget aimed at improving livelihoods, and the strategic goals noted in the budget Tables SA5 and SA6 for the 2023/24 MTREF are aligned to the strategic goals in the IDP and reflect financial commitments to all key performance areas.
- The operating budget is concentrated within the *Strategic Objective: 'Improve and Sustainable basic service delivery* with an allocation of R319.504 million or 48.5 per cent of total operating expenditure. The operating budget for this SO increased by 7.7 per cent on average per annum over the MTREF. Similarly, the bulk of the capital expenditure budget, R77.423 million (75.0 per cent) is allocated to the *Strategic*

*Objective: 'sustain service delivery.* The capital budget for this strategic objective declined by 7.8 per cent.

- When compared to the 2022/23 Adjustments Budget, operational expenditure has increased by R78.126 million in 2023/24. The expenditure for the two outer years, increase with R2.492 million and R104.190 million respectively.
- The Strategic Objective: *Sustain service delivery* addresses water, sanitation, and electrical services, also addresses roads and transport management as well as street lighting and solid waste management and collection. The Municipality's 2023/24 budget thus prioritises trading services and service delivery.
- The remaining operating budget (R248.8 million) is distributed across the SOs, with '*Empowering people through innovation*' allocated 16.5 per cent, '*Ensure good governance*' allocated 10.7 per cent, '*facilitate an enabling environment for a diversified economy and growth to alleviate poverty* allocated 8.8 per cent and strengthening *financial sustainability* allocated 7.6 per cent.
- The capital budget of R77.423 million for 2023/24 decreases by 6.62 per cent when compared to the 2022/23 adjustment budget. Thus, the capital programme decreases to R73.312 million in the 2024/25 financial year and R70.668 million in 2025/26 financial year.
- The majority of the capital expenditure allocation (R58.071 million or 70.0 per cent) will be used for the provision and maintenance of basic services and the needs of informal settlements as well as the provision of bulk infrastructure. This allocation declines by 7.8 per cent on average over the 2023/24 MTREF. This is followed by 13.8 per cent allocation towards empowering people through innovation, strengthening financial sustainability, R4.005 million or 5.1 per cent, facilitate an enabling environment for diversified economy and growth to alleviate poverty allocated R2.950 million or 3.8 per cent and ensure good governance R1.666 million or 2.1 per cent.
- These objectives take the socio-economic reality and priorities of the Municipality into account and encompass the strategic goals of delivering on the basic service delivery mandate.

### 3.3 FINANCE AND RISK CAPACITY

#### 3.3.1 Budget Overview

**Table 2 Budget overview for the 2023/24 MTREF Budget:**

Bergrivier Description	CURRENT YEAR			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
	2022/23	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26
R thousand	Original Budget	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
Total Operating Revenue (excluding capital transfers and contributions)	472 147	473 059	473 059	554 042	554 042	565 088	565 088	674 517	674 517
Total Operating Expenditure	488 069	490 206	488 357	568 332	568 880	570 825	571 583	675 016	675 872
Surplus/(Deficit)	(15 923)	(17 147)	(15 298)	(14 291)	(14 838)	(5 737)	(6 494)	(498)	(1 354)
<b>Non Cash Items</b>									
Depreciation & asset impairment	28 668	30 270	30 270	32 656	32 656	34 096	34 096	34 480	34 480
A4: Total Operating Budget Restated Result	12 745	13 123	14 972	18 365	17 818	28 359	27 602	33 982	33 126
A5: Total Capital Expenditure	83 155	82 910	82 530	77 423	77 423	73 313	73 313	70 669	70 669
<b>Funded by:</b>									
Transfers recognised - capital	24 139	23 384	23 003	24 648	24 648	22 955	22 955	20 459	20 459
Borrowing	40 000	39 630	39 630	32 555	32 555	29 700	29 700	29 700	29 700
Internally generated funds	19 016	19 896	19 896	20 220	20 220	20 658	20 658	20 510	20 510
A7 - Cash/cash equivalents at the year end:	147 475	139 625	139 005	171 020	154 226	192 051	174 275	220 180	207 683
A8 - Surplus / (shortfall) after application of cash and investments	94 751	124 071	109 039	112 866	81 618	107 264	63 738	105 545	52 670
<b>BUDGET FUNDING POSITION</b>				<b>FUNDED</b>	<b>FUNDED</b>	<b>FUNDED</b>	<b>FUNDED</b>	<b>FUNDED</b>	<b>FUNDED</b>

Source: A1 schedules, NT funding tool, ORGB data strings.

- There are major discrepancies between the mSCOA data strings (A6 Budgeted Financial Position and A7 Budgeted Cash Flows) and the A1-Schedules that was submitted to Council. Although both the A1-Schedule submitted to Council and mSCOA data string submitted to National Treasury indicate that the 2023/24 MTREF draft budget is a **funded** budget, the margin of the projected funded shows huge discrepancy. With these major discrepancies the credibility of the budget is questioned. These discrepancies have been shared with the Municipality of which the Municipality is encouraged to investigate the differences noted between the municipal A1-Schedule and the National Treasury relevant mSCOA data strings to rectify the differences to ensure accurate, credible, and sustainable budgeting.
- As per MFMA Circular No. 115, National and Provincial Treasuries will assess the 2023/24 MTREF budgets to be funded and complies with the mSCOA requirements using only the tabled budget (TABB) data strings and in the absence of a credible data string, any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.
- The Municipality's tabled budget and Treasury recalculation result in an operating deficit for the entire MTREF period, which decreases significantly in the outer MTREF years due to employee-related costs having a minimal growth projection, as well as contracted service and transfers and subsidies-operational fluctuating.
- Whilst the operating deficit may be affected by the non-cash items such as depreciation, the Municipality is reminded of the guidance provided in MFMA Circular No. 115 i.e., depreciation charges must be funded from operational funds. When depreciation is funded, it will assist the Municipality to accumulate sufficient surpluses that must be transferred to cash backed reserves.

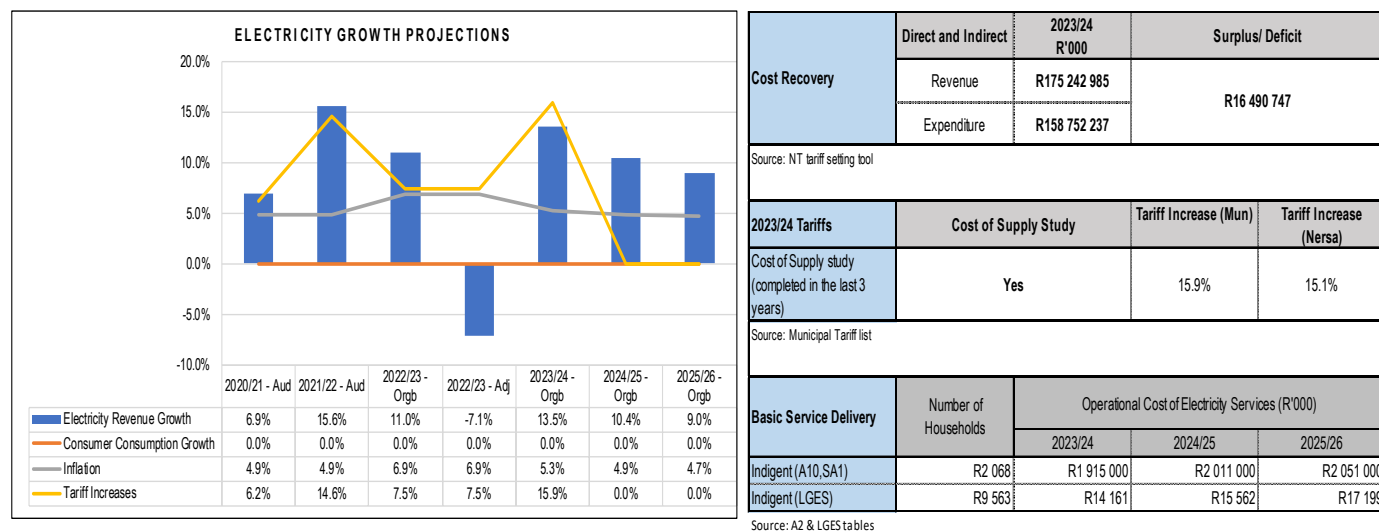
- Debtors outstanding for more than 90 days remains high, amounting to R94.66 million or 75 per cent of the total outstanding debtors of R126.47 million as at the end of February 2023. The various pressures over the MTREF period with intensified load-shedding and weaker global economic conditions will have an impact on the payment of accounts from both businesses and households. Notwithstanding the large arrear debtors, the current collection rate remains above the NT norm of 95 per cent and is projected to improve to 96 per cent over the MTREF period, which requires operational efficiency to ensure ongoing financial sustainability.
- The Municipality projected a positive and increasing cash and cash equivalents throughout the MTREF financial years of R171.02 million, R192.05 million and R220.18 million for 2023/24, 2024/25 and 2025/26 respectively. The municipality is indicating a steadily improving cash flow balance an indicator of sound financial health. The municipality is demonstrating that it has adequate cash resources to meet its monthly fixed operating commitments from cash. The closing cash and cash equivalents on the A7 reconcile with the A8 and is funded.
- The projected liquidity ratio is reported to be 2.15:1 (2023/24), 2.18:1 (2024/25), and 2.27:1 (2025/26) over the MTREF period. This ratio depicts that the Municipality is anticipating that it will have adequate financial resources to settle its short-term debts when it is due, and that the Municipality is not exposed to liquidity risk. This indicate that the Municipality must convert its outstanding debtors to cash to have adequate financial resources based on the ratio.
- The Municipality projects a cost coverage ratio of 4.41 times, (2023/24), 5.05 times (2024/25) and 4.77 times (2025/26) over the MTREF period, demonstrating that the Municipality has adequate cash resources to meet its monthly fixed operating commitments from cash. The anticipated cash coverage ratio is above the NT norm of 1-3 months.
- The Municipality plans to fund capital expenditure from borrowings as indicated on the A5 to the amount of R32.55 million in 2023/24, R29.70 million in 2024/25 and R29.70 million in 2025/26 MTREF years. The gearing ratio indicates that the municipality still has the capacity to increase funding from borrowings however, this should be considered within the cash flow requirements of the Municipality. The ratio is within the National Treasury norm of 45 per cent.
- The debt/gearing ratio fluctuates over the MTREF years from 23.3. per cent (2023/24), 26.1 per cent (2024/25) to 24.4 per cent (2025/26) over the MTREF period which indicates that the municipality has capacity to take on additional funding from borrowings. Although the Municipality will generate revenue and cash from its operations to service the projected additional debt, it should be noted the Municipality must have considered all the concerning factors that will have an impact on the Municipality's cash flow pressure. The municipality does not have unspent borrowing as per AFS.
- The Municipality budget is reflected as **funded** without any threats to its going concern and sustainability over the 2023/24 MTREF. This is supported by table A8 which indicates cash backed reserves/accumulated surplus over the 2022/23 MTREF, this is consistent with the requirements of section 18 of the MFMA.

### 3.4 TRADING SERVICES

#### 3.4.1 Energy Services

##### 3.4.1.1 Energy Services Credibility and Sustainability

Diagram 1 Energy trading service trends



- Diagram 1 illustrated that electricity revenue growth will improve with 13.5 per cent in 2023/24 when compared to 2022/23 and have a slower growth over the two outer years of the MTREF. The Municipality did apply for 15.9 per cent tariff increase to the Energy Regulator for approval, which is slightly above NERSA's guideline for municipal tariffs of 15.1 per cent. The increase is to sustain and improve on service delivery standards and to ensure the long-term financial sustainability of the municipality.
- The Municipality is commended for completing level 1 of National Treasury tariff modelling as required by MFMA Circulars (122:13 and 123:10). This is in conjunction with the municipal cost reflective study that was conducted in 2020/21 financial year, and the above average tariffs increases for the 2023/24 MTREF period was consulted by this study, and the service charges were restructured to cover the full cost of services.
- The Municipality is also commended for setting a two-part tariff, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands as recommended in the PT Circular No.5 of 2023.
- Surplus margins of R16.49 million are projected for 2023/24 despite increase in bulk purchases. These surpluses should be viewed in line with electricity losses of 12.58 per cent as reported in the 2021/22 AFS, representing a slight increase from 12.29 per cent in the previous year. Electricity losses can be attributed to a combination of friction, transformer and losses associated with meter infrastructure. A meter replacement program in respect of electricity meters is underway to curb unaccounted losses. These ratio's remains material, as it is above the NT norm of 7-10 per cent, however with the impact of load-shedding the Municipality is reminded that it is important to critically review the cost drivers within its expenditure framework during the MTREF budget.
- According to the draft amended IDP for 2022 - 2027, the Municipality is already developing a SSEG and wheeling policies for approval and adoption as recommended in MFMA Circular no.123. This development will require issuing of RFPs to attract IPPs to invest in alternative sources of energy. A range of sources are considered such as PV and LNG and others that may be deemed feasible. It is noted that the development priorities for 2023/24 will be the network studies and master planning to enable implementation of policies.

- According to A1 Schedule support table SA36, provisions are made for smart metering over the MTREF. The Municipality is alerted that there is a pending business risk to the prepayment metering industry that requires action urgently. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The Municipality is referred to MFMA Circular No. 115 for further guidance.
- According to the mSCOA data string the C4 do not reconcile with the monthly billing. Prepaid electricity makes up 53.1 per cent of the total electricity revenue. The municipality did not make provision for output VAT on the service charge. Movement accounting continues to be a challenge, and it is not being applied correctly on the C6 and C7. The Municipality need to correct with the final budget.
- The A1 Schedule support schedule indicates that the cost of free basic electricity services is R1.92 million in 2023/24. The Municipality receives R14.16 million from the basic component of the LGES for the provision of free basic electricity services. Revenue cost of Free Basic Services (FBS) is expected to increase over the outer MTREF years, however the number in households receiving FBS is estimated to stay constant from 2021/22 till 2025/26 in table A10. The constrained fiscal environment, including high levels of food price inflation and rising interest rates, continues to impact heavily on disposable household income. The larger impact on municipal budgets is likely to come from an increase in indigent household applications and municipalities should anticipate this and provide for the cost in their budget.
- According MFMA Circular no.123, National Treasury has added 2 per cent to the increase of calculating the free basic energy subsidy in the local government equitable share formula. This was provided in anticipation of higher increases for municipalities than those published in January, however, the actual bulk tariff increase for municipalities is slightly lower, meaning that the subsidy in the equitable share has received an above-cost increase.

### 3.4.1.2 Responsiveness to Energy Demand and Provision

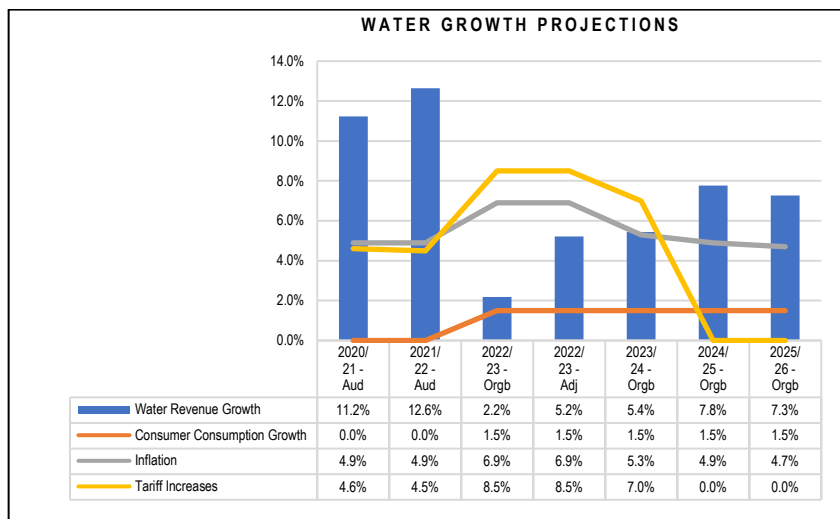
<b>Municipal challenges</b>	<ul style="list-style-type: none"> <li>● The energy crisis and the devastating impact on the economy, unemployment and also impacting the revenue streams of the municipality.</li> <li>● Ageing electricity infrastructure.</li> <li>● The increase in the cost of bulk electricity from Eskom which is placing upward pressure on service tariffs to residents and resulting in a decline in electricity sales.</li> <li>● The need to fill critical vacancies necessary to ensure service delivery to the community.</li> <li>● The demand for services that continue to outstrip the available resources.</li> </ul>
<b>Electricity Expenditure Analysis</b>	<ul style="list-style-type: none"> <li>● The electricity infrastructure budget receives the second largest share of the trading services infrastructure budget for 2023/24. The Municipality's allocation to energy infrastructure amounts to R14.429 million for the 2023/24 financial year. These allocations decrease over the two outer years of the MTREF. The allocations decrease from R13.866 million in 2024/25 to R9.098 million in 2025/26 financial year.</li> <li>● Significant municipal capital expenditure allocations for electricity include: <ul style="list-style-type: none"> <li>• R3.600 million for load shedding projects,</li> <li>• R1.080 million for machinery and equipment,</li> <li>• R1.0 million for replacing conventional electricity meters,</li> <li>• R1.0 million for retro fit main substation of circuit breakers.</li> </ul> </li> <li>● This indicates the Municipality's intentions to improve service delivery to the Bergrivier communities.</li> <li>● Significant Municipal operating expenditure allocations amounts to R153.523 million in 2023/24. These allocations increase to R169.946 million in 2024/25 and R196.639 million in 2025/26 financial year.</li> </ul>

- Partnership with other government Departments to enhance economic development has improved the lives of the people within the municipal area. For example, alternative energy use projects have had a significant impact on the economy of the municipal area, job creation, community upliftment, economic transformation and climate change.
- The increased allocations display a definite alignment to challenges raised in the Annual Report as well as the IDP. Given the energy concerns raised by the Municipality to date, the additional funding towards energy provision clearly displays the responsiveness of the budget allocation to the current crisis/demand.

### 3.4.2 Water Services

#### 3.4.2.1 Water Services Credibility and Sustainability

Diagram 2 Water trading service trends



Cost Recovery	Direct and Indirect	2023/24 R'000	Surplus/ Deficit	
	Revenue	R54 126 176	R24 091 187	
Expenditure	R30 034 989			

Source: NT tariff setting tool

2023/24 Tariffs	Basic Charge	Tariff Increase (Mun)	Tariff Increase (WC Avg)
Business	Yes	7.0%	6.4%
Households	Yes	7.0%	6.6%

Source: Municipal Tariff list

Basic Service Delivery	Number of Households (LGES)	Operational Cost of Water Services (R'000)		
		2023/24	2024/25	2025/26
Indigent (A10, SA1)	2255	R2 850 000	R3 049 000	R3 262 000
Indigent (LGES)	9 563	R20 747 913	R22 800 444	R25 197 868

- Diagram 2 illustrated that the water revenue growth will improve over the entire 2023/2024 MTREF, with a slight deterioration during the 2025/26, as it is projected that a constant consumer consumption growth of 1.5 per cent over the MTREF. At the TIME engagement the municipality indicated that the user consumption is affected by the continuous loadshedding and vandalism.
- The projected water tariff increases with 7 per cent, which is above the CPI and in line with the WC municipal tariff average of 7 per cent for water. Cost reflective tariff is implemented, as it aims to cover all the costs associated with delivering a sustainable service to the consumers. This tariff was also influenced by the continuous loadshedding as this resulted in increased costs of fuel for the generators at the Pump stations for the purification of water. Due to some relief from the drought, the Municipality decided to lift water restrictions, but will continue to implement water tariffs in accordance with the guidelines from the Provincial Disaster management determination for the foreseeable future.
- The Municipality is commended for putting measure in place to curb cost by continuing to implement a revenue enhancement plan which will aid in ensuring accurate services and billing data and assist in the reduction of unaccounted consumption of water and electricity. Inaccessible meters are being replaced by smart meters that will enable reading to be taken without access to properties being necessary, meters will also be moved to outside property fences to ensure accessibility by meter readers, the water By-laws will be amended to include the requirement. According to supporting table SA36 R1.88 million has been budgeted for the replacement or installation of new and enhanced metering equipment for the 2023/24 financial year,
- Despite an increase in bulk purchases, a surplus margin is projected for 2023/24. Water costs, real and unavoidable water losses are unavoidable, and water distribution losses represent a slight decrease from



15.9 per cent in 2020/21 to 15.1 per cent in 2021/22. The losses are primarily the result of major pipe bursts, field leakages, and aging meter infrastructure. To address the water losses, a concerted effort is currently underway to replace meters, water mains, and metering systems.

- The municipality's individual collection rate for water revenue is 69.3 per cent as at end February 2023. Furthermore, Water debtors as at end February 2023 were 11.4 per cent of total outstanding debtors over 90 days' category. The Municipality is appropriately using its Debt Collection and Credit Control policy, to restrict/ interrupt supply of both water and electricity services as a collection tool.
- According to the data string the C4 does not reconcile with the monthly billing. The municipality did not make provision for output VAT on the service charge. Movement accounting continues to be a challenge and it is not applied correctly on the C6 and C7. The Municipality needs to correct this with the final budget.

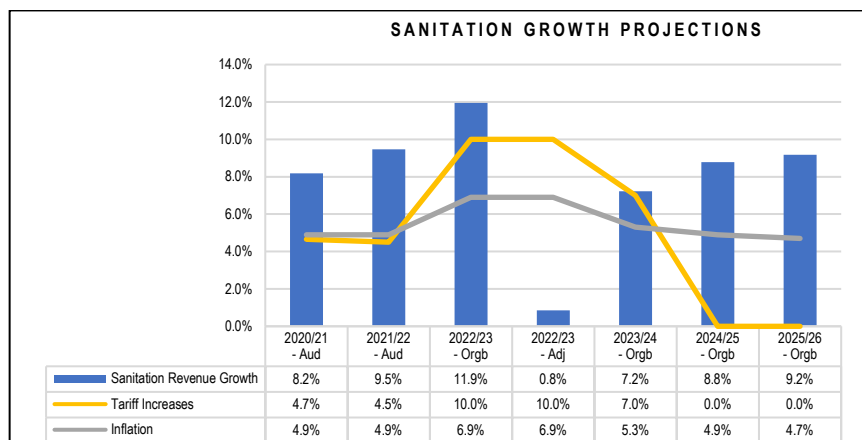
### 3.4.2.2 Responsiveness to Water Services Demand and Provision

<p><b>Municipal challenges</b></p>	<ul style="list-style-type: none"> <li>● Water losses remains a challenge.</li> <li>● Water supply, due to aged infrastructure, inadequate maintenance and repairs and the drought that was experienced in the Western Cape a few years ago.</li> <li>● There is a direct correlation between water backlogs and housing backlogs and planning for the housing pipeline will address these backlogs. The Municipality needs to urgently upgrade its bulk and service infrastructure.</li> <li>● While all indigent households within the Municipal area receive free water, water supply remains a challenge.</li> <li>● The limited budget for upgrading, replacing, and refurbishment of infrastructure and outdated equipment and vehicles.</li> </ul>
<p><b>Water Expenditure Analysis</b></p>	<ul style="list-style-type: none"> <li>● Water infrastructure receives the largest share of the trading services infrastructure budget for 2023/24. The Municipality's allocations to water infrastructure amounts to R26.981 million for the 2023/24 financial year. These allocations decrease over the two outer years of MTREF period. The allocations decrease from R16.700 million in 2024/25 to R12.080 million in 2025/26 financial year.</li> <li>● Significant municipal capital expenditure allocations for water include:             <ul style="list-style-type: none"> <li>• PB Reservoir R7.391 million</li> <li>• R6.425 million for water renewals</li> <li>• R3.875 million for water supply infrastructure</li> <li>• R2.739 million for water conservation and demand management and</li> <li>• R1.781 million for water supply infrastructure.</li> </ul> </li> <li>● In relation to the water demand by households, Budget Schedule A10 confirms that no current backlog exists at household level, but the demand for water will increase over the ensuing MTREF period with the population growth and urbanisation in the area.</li> <li>● The consistent allocations display a clear alignment to challenges raised in the Annual Report as well as IDP.</li> <li>● The investment in reservoir capacity speaks directly to the need for capacity for development.</li> <li>● Operating expenditure allocations amounts to R30.035 million in 2023/24 financial year. This is the second largest allocation in the total operating expenditure in 2023/24 financial year. These allocations increase over the two outer years of the MTREF, from R31.055 million in 2024/25 to R32.767 million in 2025/26 financial year.</li> <li>● Investing in enhancing water security protects society and sectors from specific water risks and can have a profound positive effect on economic growth, inclusiveness, and the structure of economies. Enhancing water security can reduce the price and price volatility of staple food crops, a key priority in the regional economy.</li> </ul>

### 3.4.3 Wastewater Services

#### 3.4.3.1 Wastewater Services Credibility and Sustainability

Diagram 3 Wastewater trading service trends



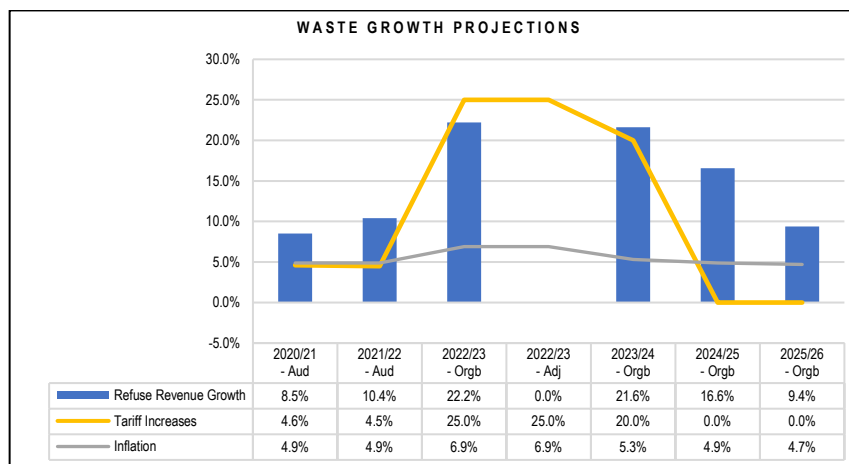
Cost Recovery	Direct and Indirect	2023/24 R'000	Surplus/ Deficit	
	Revenue	R21 772 529	R4 865 089	
Expenditure	R16 907 440			
Source: NT tariff setting				
2023/24 Tariffs	Basic Charge	Tariff Increase (Mun)	Tariff Increase (WC Avg)	
			Business	Households
Business	Yes (based on plot size)	7.0%	6.6%	
Households	Yes (based on plot size)	7.0%	7.5%	
Source: Municipal Tariff				
Basic Service Delivery	Number of Households	Operational Cost of Waste water Services (R'000)		
		2023/24	2024/25	2025/26
Indigent (A10,SA1)	1986	R4 194 000	R4 488 000	R4 811 000
Indigent (LGES)	9 563	R13 989 562	R15 373 509	R16 990 005

- Diagram 3 illustrated that the wastewater revenue growth will improve with 7.2 per cent in 2023/24 and grow over the two outer years of the MTREF. This growth is higher than the predicted CPI over the MTREF period. This projected increase is based on the input cost assumptions relating to the service and the extent to which customers make use of the service.
- Surplus margins are expected in 2023/24. Tariff increases of 7 per cent in 2023/24 can be attributed to the ongoing plundering and vandalism of sewer infrastructure, the cost of protecting the assets, the cost of mitigating power outages with standby generators, the cost of monitoring the pump stations and associated purification infrastructure, and the continued rise in the cost of labour, chemicals, and electricity required to provide the service within the legislative requirements. It should be noted that electricity costs account for approximately 20 per cent of wastewater treatment input costs; thus, an increase in electricity prices makes it unavoidable to raise sewer tariffs by more than the inflationary predictions.
- The A1 Schedule support schedule SA1 indicates that the cost of free basic wastewater services is R4.19 million in 2023/24. The table above indicates the basic component of the LGES for the provision of free basic wastewater services. Revenue cost of Free Basic Services (FBS) is expected to increase over the outer MTREF years, however the number in households receiving FBS is estimated to stay constant from 2021/22 till 2025/26 in table A10. During the TIME engagement, the increasing number of informal settlements was mentioned. The Municipality proposed an amendment to the Indigent Policy for 2023. Currently applications of indigents need to be submitted to the financial department annually, as from 1 July 2023, if you are on the indigent register you will not have to apply annually, only if your status changes then you need to inform the financial department. The Municipality needs to be cognisant, that National Treasury is monitoring the expenditure of the LGES, based on correspondence received from National Treasury, which indicates that the National Treasury will start monitoring the budgets in respect of LGES allocation.
- The municipal's individual collection rate for sanitation services is estimated to be 66.2 per cent. The Municipality should continue the implementation of credit control processes, given that tariff increase will be above inflation.

### 3.4.4 Waste Removal Services

#### 3.4.4.1 Waste Removal Services Credibility and Sustainability

Diagram 4 Waste removal service trends



Cost Recovery	Direct and Indirect	2023/24 R'000	Surplus/ Deficit	
	Revenue	R42 674 912		<b>-R15 272 327</b>
Expenditure	R57 947 239			

Source: NT tariff setting tool

2023/24 Tariffs	Basic Charge	Tariff Increase (Mun)	Tariff Increase (WC Avg)
Business	Yes	20.0%	9.5%
Households	Yes	20.0%	9.6%

Source: Municipal Tariff list

Basic Service Delivery	Number of Households	Cost of Waste Services (R'000)		
		2023/24	2024/25	2025/26
Indigent (A10, SA1)	2257	R8 095 000	R9 309 000	R9 973 000
Indigent (LGES)	9 563	R11 727 203	R12 887 342	R14 242 421

- Waste removal revenue is projected to have a deficit of R10.25 million for 2023/24. Expected revenue after the cost of free basic services and revenue forgone is estimated to be R47.70 million whilst costs are expected to be R57.94 million. This indicates that the refuse for 2023/24 will be subsidised by other trading services or other revenue sources, which will in turn have a negative impact on the overall profitability of service charges. Surpluses on trading services, however, cannot be viewed in isolation; they must be coupled with distribution and unaccounted losses to realise the true profit or loss.
- Diagram 4 illustrated that the waste removal revenue growth will deteriorate from 22.2 per cent in 2022/23 to 21.6 per cent in 2023/24. Further deterioration is projected over the two outer years of the MTREF. Years of moderate and lower than essential increase percentages have contributed to the fact that the refuse service is not financially viable as the actual cost of service rendering have not been recovered by the tariffs charged for a number of years.
- As a result of a cost-reflective tariff study that was completed in 2020/21 and the findings of which were incorporated into the tariff structure for the provision of sanitation services, the municipality is taking steps to make up for the losses in refuse service charges. A phase-in approach of cost reflective study is applied, and general tariff increases with 20 per cent for refuse removal is proposed for 2023/24. This is based on assumptions about the input costs for the service, the volume of waste generated, and how much the consumers use the service. This tariff rise will ensure that the service becomes financially viable and remains financially sustainable over the long term.
- According to the 2021/22 AFS, the four landfill sites are anticipated to close in 2025, with an estimated R122.32 million in future rehabilitation costs. According to the cost of a reflective analysis, one of the causes of the considerable tariff increase that has been beginning to be experienced from the 2021/22 financial year is the expense of effectively preparing for rehabilitation costs for future rehabilitation of landfill sites. 3.4.3.2 Responsiveness to Waste Removal and Demand and Provision.

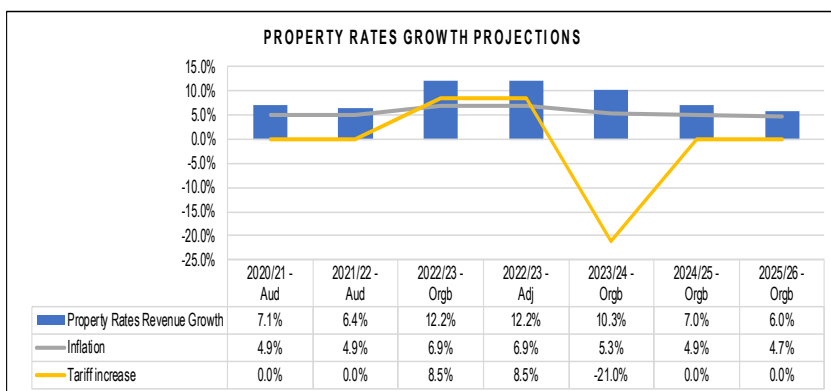
<b>Municipal challenges</b>	<ul style="list-style-type: none"> <li>The funding to rehabilitate the old landfill sites in Aurora, Redelinghuis, Piketberg and Porterville remain a challenge.</li> <li>The replacement of Refuse Compactor trucks necessary to ensure that the standards of service can be met.</li> </ul>
<b>Waste Expenditure Analysis</b>	<ul style="list-style-type: none"> <li>Waste management receive the lowest allocation (R1.620 million) in the 2023/24 capital budget. These allocations increase over the two outer years of MTREF period. The allocations increase from R1.710 million in 2024/25 to R4.061 million in 2025/26 financial year.</li> </ul>

- The demand for services that continue to outstrip the available resources.
- Municipal capital budget project in 2023/24 financial year includes R2.140 million to purchase a refuse compactor. Operating expenditure allocations amount to R40.088 million for 2023/24 financial year.
- The increased allocations display a definite alignment to challenges raised in the Annual Report as well as the IDP. Given the waste management concerns raised by the Municipality to date, the additional funding towards waste management provision clearly displays the responsiveness of the budget allocation to the current crisis/demand.
- In terms of eradicating backlogs in refuse within the municipal area, Bergrivier provides poverty relief by providing approximately 2 650 households with free basic refuse removal.

## OTHER REVENUE AND EXPENDITURE RISKS

### 3.5.1 Property Rates

Diagram 5 Property rates



2023/24 Tariffs	Rate in Rand (Mun)	Rate in Rand (WC Avg)	Tariff Increase (Mun)	Tariff Increase (WC Avg)
Business	R0.0019	R0.10381	7.5%	1.2%
Households	R0.0090	R0.05598	7.5%	-2.8%

Source: Municipal Tariff list

Rebates	Number of Indigents HH	Rebates		
		2023/24 R'000	2024/25 R'000	2025/26 R'000
	2067	R 5 848	R 6 257	R 6 630

Last GV date: 07 01 2023

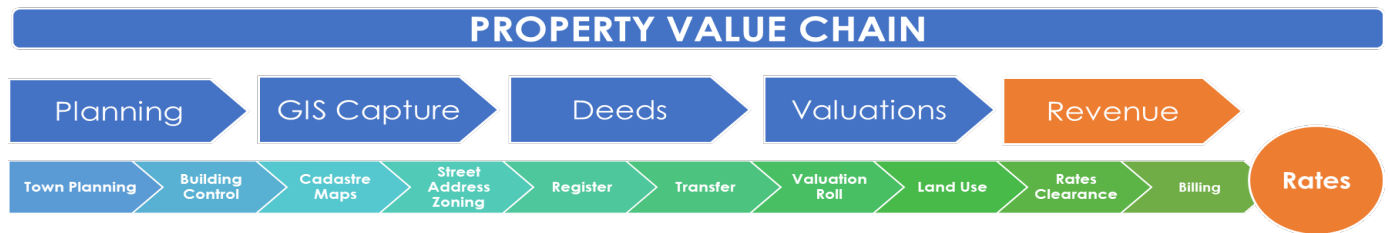
Source: A1 schedules

- Diagram 5 illustrates that the property rates revenue growth has deteriorated from 2021/22 till 2023/24 and further deterioration over the two outer MTREF years. This is mainly due to the proposed 2023/24 tariff decline with 21 per cent, due to the new general valuation roll that will be implemented from 1 July 2023. Changes in the property category is noted as per support tables SA12a and SA12b, which indicates that the major changes are business and commercial properties reducing from 11 051 in 2022/23 to 1 157, and residential properties increasing from 1 375 in 2022/23 to 10 967 in 2023/24.
- The budget document indicates that cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions are cash backed as required in terms of section 8 of the MPRA. The submission of the reconciliation between the General Valuation Roll and the financial system, which will provide support for projected increases, is required by MFMA Circular No.93.

#### 3.5.1.1 The Property Value Chain

- The Municipality's main asset is its property. Its main source of income is derived from charging for property rates. It is essential that the Municipality reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. Diagram 6 below highlights the key inputs into the Property Value Chain to realise maximum revenue from property rates.

**Diagram 6 Property Value Chain**

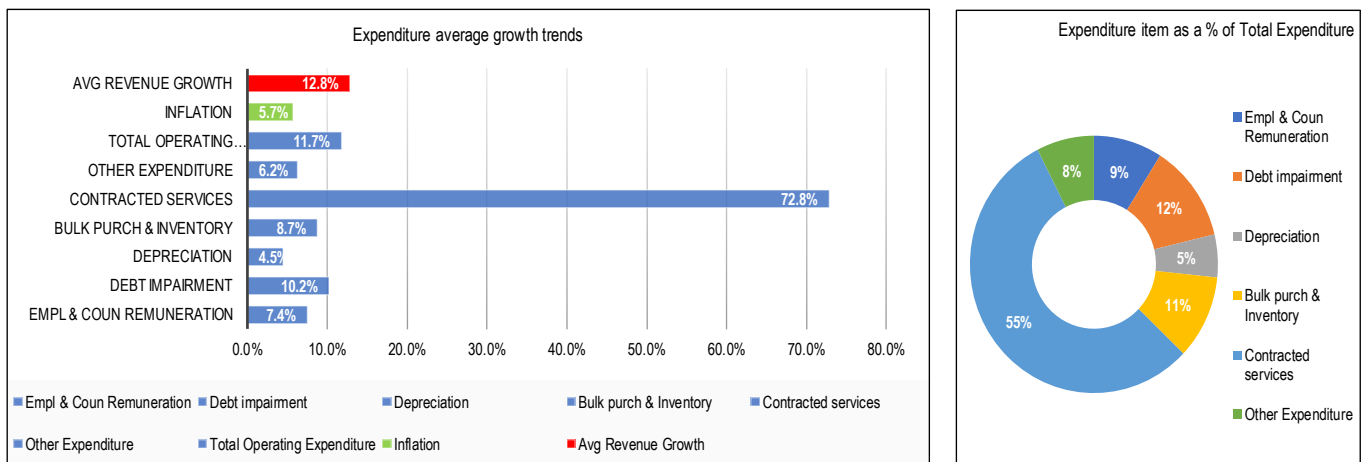


**3.5.2 Other revenue risks**

- Transfers recognised - Operational contributes 20.5 per cent of 2023/24 operating budget of R477.93 million, which is the third largest contributor, indicating no significant reliance on grant funding to fund its operations.
- Equitable share being the largest contributor with 54 per cent, followed with human settlements development grant of 29.9 per cent of the 2023/24 budget amount of R1 17.65 million. As per supporting table SA20, the conditions met does align with table A4. The municipality is commended for this alignment. However, it was noted that historically the Municipality recorded underspending of grants therefore, in view of fiscal constraints to persist over the MTREF the Municipality is hereby urged to put measures in place to fully spend grant allocations to avoid retention of grant funding.

**3.5.3 Operating Expenditure**

**Diagram 7 Operating expenditure trends**



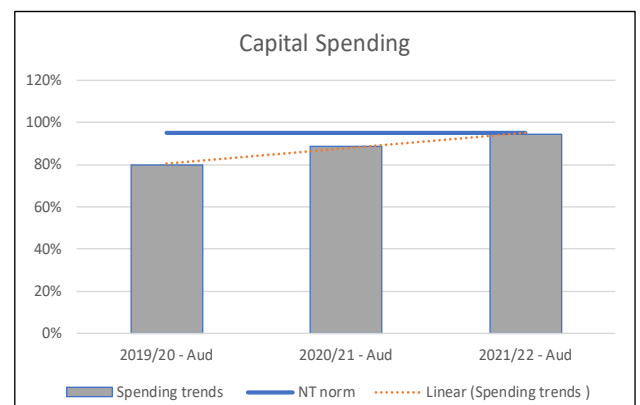
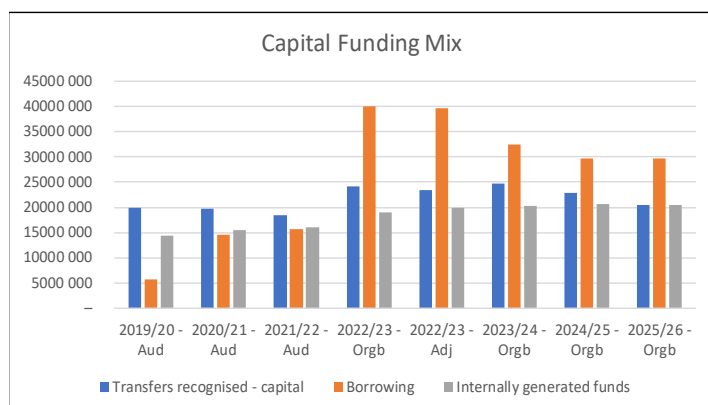
- 2023/24 Operating expenditure budget of R568.33 million is projected to increase by 15.9 per when compared to 2022/23 adjusted budget. Diagram 7 illustrates that the MTREF average operating revenue budget growth amounts to 12.8 per cent, which is above the average operating expenditure budget growth of 11.7 per cent. 2023/24 Operating expenditure budget has grown by 16.9 per cent against the operating revenue of 17.1 per cent, the differences in growth rates are not enough to result in a surplus.
- **Contracted services** have the highest average growth rate over the 2023/24 MTREF period, which is mainly due the Human Settlements Development Grant (Beneficiaries) allocation, which makes up 47.6 per cent of the 2023/24 contract service budget amount of R76.69 million. The second largest contributor is refuse removal with 16.5 per cent of the contract services budget.
- **Employee related costs** remains the largest cost driver at 33.4 per cent of the total operating expenditure budget of R568.33 million, which is within NT norm of 25 - 40 per cent. This budget line item will increase by 12.4 per cent during 2023/24 when compared to 2022/23 and projects an average growth of 7.4 per

cent over the MTREF period. The provision of 5.4 per cent general salary is in accordance with the collective agreement and provision of 2.4 per cent notch increase for qualifying officials for 2023/24.

- As per supporting table SA24 the municipality is planning on increasing the number of employees for the 2023/24 financial year, the total number of personnel positions is set to increase to 459 from 438 in 2022/23, and this increase is in relation to permanently employed staff. The budget document does indicate that the municipality will prioritise the filling of critical vacant posts, especially linked to the delivery of basic services.
- Overtime** as a percentage of employee related costs amount to 3.6 per cent which is still within the overtime threshold of 5 per cent. The budget amounts to R6.63 million which shows a slight decrease from the Adjusted budget for 2022/23. Provincial Treasury takes note that since loadshedding the municipality has spent more on overtime as more human capital are required for working requirements. The Municipality is also encouraged to change current employment conditions to be in line with the current load shedding challenges.
- Bulk purchases and inventory consumed** reflects an 8.7 per cent average growth over the MTREF. Bulk purchases are directly informed by the purchase of electricity from Eskom and remain the second largest cost driver of operating budget. Bulk purchases equal 22.7 per cent of the operating budget of R568.33 million, with an annual increase of 5.5 per cent, considering that NERSA approved an increase of 18.49 per cent for municipalities for the 2023/24 financial year and approved an average tariff increase of 18.7 per cent for Eskom's standard tariff customers as per MFMA Circular no.123. The budget appropriations are directly informing the revenue provisions.
- Inventory consumed** of R22.96 million is estimated to decrease by 0.4 per cent when compared to the 2022/23 adjusted budget of R23.05 million, estimated to increase with an average of 5.5 per cent with the two outer years. The decrease is mainly due to inventory consumed for water as per supporting table SA1, which the municipality should review.
- Operational cost** budget amounts to R45.75 million and a proposed average increase of 7 per cent over the MTREF. The two highest components are Wet Fuel (R7.17 million) and Municipal services (R9.7 million) in 2023/24. Due to load-shedding the Municipality incurred additional costs in January, the additional cost is projected to continue in 2023/24 financial year.
- Municipal Cost Containment Regulations, 2019, require municipalities to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures. The Municipality should continue with its strategies and efforts of instituting appropriate measures and ensuring that the limited resources and public funds are appropriately utilised to make certain that value for money is achieved.

### 3.5.4 Capital Funding Mix

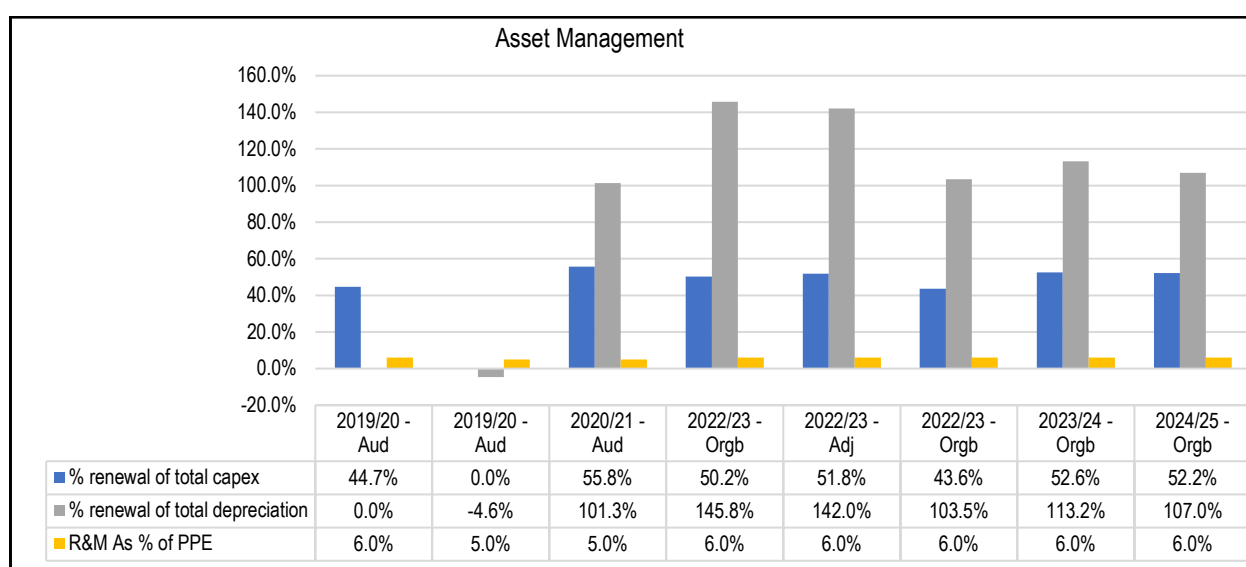
Diagram 8 Capital funding mix



- Over the past 3 audited years, the municipality's capital spending trends has improved from 80 per cent in 2019/20 to 95 per cent in 2021/22. The trend indicates that the municipality has progressed in terms of its capital budget implementation to the level of NT norm of 95 per cent.
- Over the seven-year horizon the capital funding mix has primarily been funded through borrowings, as diagram 8 indicates that from 2022/23 till 2025/26 it will be the primary funding source, followed with conditional grants.
- The gearing ratio of the municipality (the ratio between debt and own revenue generated) remains sound at 23 per cent and in a narrow band over the MTREF and is well under the maximum of the norm of 40 per cent. Borrowings amount to 42.1 per cent of total 2023/24 capital budget of R77.42 million and it is expected to decrease in the outer MTREF years.
- In addition, the use of internally generated funds to fund capital expenditure over the 2023/24 MTREF signals an upward trajectory, from an average of 26.1 per cent to an estimated average of 29 per cent over the 2023/24 MTREF. The Municipality will maintain a capital replacement reserve amount of R35.37 million as per A6-Financial Position and according to the budget documentation cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves are cash backed. The Municipality is urged to maintain a healthy CRR to manage the demands of infrastructure requirements and the impact on future operational budgets while considering the sustainability thereof. The opportunity cost for utilizing own funding must be carefully assessed to maintain the lowest financial impact to current and future consumers.
- The funding mix of the Municipality is balanced in context of the restrained financial position of the Municipality, however given the current fiscal challenges facing national and provincial government and the impact this may have on future transfers to municipalities, the Municipality should continue to monitor action plans to ensure that grants and subsidies are being spent efficiently and key objectives of government are achieved through the prioritisation of public resources.

### 3.5.5 Capital Expenditure Trends

Diagram 9 Asset Management



- Diagram 9 illustrates that the renewal of total capital expenditure budget over the 7-year horizon fluctuate, with 2023/24 MTREF show a lower growth when compared to 2022/23 and then picks up over the two outer MTREF years, which are all above the norm of 40 per cent.

- The Municipality did make provision in the capital budget for the renewal of existing assets of R17.58 million as per SA34b, which infrastructure is the largest contributor with R11.7 million or 66.5 per cent. According to supporting table SA34e, R12.73 million or 16.4 per cent of the capital budget is for upgrading of existing assets which will improve the safeguarding of the asset base and the sustainable service delivery.
- The Municipality should continue to safeguard assets by ensuring assets are maintained, upgraded and renewed as per asset replacement and maintenance plans.
- The repair and maintenance as percentage of PPE is illustrated in diagram 9, shows a constant line over the MTREF period of 6 per cent, and this is within the acceptable norm of 8 per cent. Accordingly supporting table SA34c of the budget, community assets accounts for the largest expenditure (44.8 per cent) of the total repair and maintenance budget of R33.75 million for 2023/24 financial year. Asset maintenance should continue as it is pivotal to prevent breakdowns of infrastructure assets and to avoid interruptions to service delivery.
- The credibility of the capital budget is affected by the ability of the Municipality to implement this capital budget. The capital budget spending as at 28 February 2023 amounts to R29.59 million or 35.6 per cent of the 2022/23 adjustment budget of R82.91 million. This raise concerns on the efficiency of service delivery and could ultimately result in the Municipality forfeiting grant funding. The Municipality will also lose on VAT claims and other savings that would have been derived from full project implementation.

### 3.5.6 Other Capital Infrastructure Responsiveness

<p><b>Municipal challenges</b></p>	<ul style="list-style-type: none"> <li>● Storm water is a challenge in Piketberg and Porterville due to the geographical nature of the towns and the cost involved in ensuring sufficient storm water channels.</li> <li>● The maintenance and upgrading of the roads network are a challenge in the whole of the Bergrivier municipal area. This includes provincial roads and considerable attention is given to provincial roads in the municipal area.</li> <li>● The backlogs in road infrastructure exerts further pressure on municipal finances.</li> <li>● Lack of financial resources has hampered the provision and upgrade of infrastructure to cope with the current services backlog.</li> <li>● The high cost of infrastructure and construction discourages developers from spending in the municipal area.</li> <li>● Ageing road infrastructure and the challenge to secure enough funding for the maintenance of roads.</li> </ul>
<p><b>Capital Expenditure Analysis</b></p>	<ul style="list-style-type: none"> <li>● The Municipality's allocation to road infrastructure amounts to R 5.655 million for the 2023/24 financial year.</li> <li>● Significant municipal capital expenditure allocations for road include: <ul style="list-style-type: none"> <li>● R2.712 million for upgrade of storm water</li> <li>● R2.489 million for upgrade of roads and storm water</li> <li>● R2.0 million for reseal and construction of streets.</li> </ul> </li> <li>● The road allocations directly address some of the needs indicated and responds well to the notion that government should create an enabling environment conducive for growth and development.</li> <li>● Regular road maintenance and upkeep also has positive economic and social spin-offs i.e., enhancing the longevity of current assets will ensure sustainable access to economic opportunities which will significantly improve the economic and social standing of businesses and private citizen.</li> </ul>



### 3.5.7 Utilising Strategic Procurement as a lever to enhance Local Economic Development

Demand Management and procurement planning has become a national concern, hence National Treasury issued MFMA Circular No. 94 requiring the Municipalities to submit the procurement plan together with the Budget, Service Delivery and Budget Implementation Plan (SDBIP). This is to address the weaknesses in the procurement planning processes, impacting on the slow spending on the capital budgets resulting in a negative impact on service delivery.

Procurement planning in the Local Government sphere is a developing process but needs to be enhanced as the absence thereof has been attributed for poor service delivery and not meeting municipal service delivery goals.

Therefore, the alignment between the IDP, budgeting and procurement planning processes has become increasingly important to ensure optimal and effective utilisation of the Municipality's budgets and to achieve this objective is to utilise procurement as a strategic tool to drive local economic development (LED).

For this reason, the development a procurement plan is so important taking into account environmental, social aspects in addition to traditional economic or financial considerations in conjunction with the demand plan to source items of a strategic nature and where possible source alternate suppliers or alternate commodities.

### 3.5.8 Procurement Plan

The assessment of the procurement plan can be utilised as a management tool to assist municipalities with the following:

- Determine procurement timeframes, allocate resources accordingly and identify any potential implementation risks;
- Monitor procurement processes to ensure everything is on track and concluded on time, which will lead to improved procurement efficiency; and
- Identify opportunities for strategic sourcing and bulk buying.

#### Key Findings

- The Municipality is applauded for the linkages between the IDP projects, budgeting and the compilation of the procurement plan and providing detailed projects descriptions that is linked to accountable project leaders for each project.
- Based on the 2023/24 budget's SA36 and SA38 and the procurement plan submitted, there has been items identified from the capital and operational budget that have the potential of being seen as splitting of an order, as the method of procurement for those items are not clearly defined in the plan.
- It was ascertained that the Municipality have capital and operational items that can be utilised as commodity-based strategies and identify cost-savings through the various procurement sourcing methodologies available to maximise the economy of scales for the Municipality.
- In the 2023/2024 Budget's Schedule A 36 and A 38 items descriptions the Municipality incorrectly allocated the mSCOA item segment "default project" which makes it difficult for the Municipality to identify commodity-based strategies and provide for corrective inputs to the procurement plan for the 2023/24 financial year.

- The capital projects that have been identified as multi-year projects and that run from the prior financial years and still in operating in the 2023/24 financial that exceed the R 10 million thresholds should be closely monitored in terms of sourcing methodologies followed.

#### **Recommendations**

- In certain instances where the Municipality has identified utilising intergovernmental contracts such as NT Transversal Contracts, SITA or Provincial Government contracts, the Municipality is encouraged to demonstrate a cost analysis and provide the cost savings when participating in the intergovernmental contracts which is encouraged through the Municipality's Cost Containment Policy.
- The Municipality should utilise a commodity-based strategy for standardisation of item expenditure such as vehicles, equipment, computer equipment and etc which will assist in determining the sourcing strategies and achieve economies of scale and better savings. Furthermore, this will assist the municipality to identify certain commodities for alternative procurement decisions such as district transversal contracts, framework agreements and bulk procurement.
- It is encouraged that SCM Managers provide strategic sourcing methodologies as part of the budget process upfront to best methods of procurement for capital and operational projects in SA 36 and A38 and further ensure alignment with procurement planning, SDBIP and approved Budget.
- The Municipality is encouraged to review the Capital and Operational Expenditure mSCOA allocations segments to consolidate the same commodities for the procurement planning process to gain maximum economy of scale.

## SECTION 4: REVIEW OF THE HISTORICAL FINANCIAL INFORMATION

### 4.1 THE FINANCIAL PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

The assessment of the financial health and performance is an integrated process involving a review of a municipality's audited annual financial statements, audit report and ratio analysis. The results of the ratio analysis are used to support financial decisions and to identify factors which may influence the financial stability of the municipality.

Adverse ratio outcomes show potential areas requiring action to ensure sustainability. The assessment trend analysis is based on the audited financial statements for 2020, 2021, and 2022; however, the table provides a five-year time frame for analysis (2018 to 2022) to provide a more comprehensive perspective for evaluating the 2023/24 budget.



The analysis is conducted as per National Treasury MFMA Circular No.71. Provincial Treasury has analysed these ratios and the following items are highlighted.

### 4.2 SUMMARY AND FINDINGS FROM HISTORICAL TRENDS

#### NT Web-based portal Status

The ratio results used are those uploaded and agreed upon per the NT web-based portal for periods 2020/21 and 2021/22

#### 4.2.1 Asset Management

No.	Financial ratios & norms	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	*CAGR	Projection	Overall Rating
1	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value): <b>0%</b>	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	
2	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): <b>8%</b>	2.1%	2.2%	1.9%	1.9%	2.2%	1.9%	2.3%	




- The ratio results reflect a consistent trend over the period under review that no impairment of its asset base occurred. The carrying value of property, plant and equipment, investment property, and intangible assets has also increased by 6.19 per cent from R28.20 million from R455.09 million 2020/21 to 408.30 million in the 2021/22 financial year.
- **Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value):** In the 2021/22 financial year repairs and maintenance increased by 24.9 per cent or R2,21 million, whilst the carrying amount of assets increased by 6.19 per cent or R28.20 million. New assets acquired over the past two years represent 11.53 per cent or R55.72 million of the carrying value of property, plant and equipment, and investment property which do not require repairs and maintenance. The risk of impairment could be mitigated by the property, plant and equipment acquisitions which have improved the asset base. It is noted however, that the capital spend will reduce over the MTREF period. It is recommended that the municipality review its maintenance plans to effectively manage the longevity of its assets base.

#### 4.2.2 Cost Coverage

No.	Financial ratios & norms	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	*CAGR	Projection	Overall Rating
3	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants): <b>1 - 3 months</b>	3.2 Months	2.6 Months	4.1 Months	4.7 Months	4.0 Months	6.0%	4.3 Months	




- **Cash cost coverage (excl. unspent conditional grants):** Based on the ratio results for the period under review, the municipality appears to have sufficient funds to meet its monthly fixed operating commitments without collecting any other additional revenue during the 2021/22 financial year.
- The municipality's liquidity position has improved significantly as well due to improved cash flow managements since 2020.

#### 4.2.3 Liability Management

No.	Financial ratios & norms	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	*CAGR	Projection	Overall Rating
4	Debt (Total Borrowings)/ Revenue: 45%	21.4%	19.3%	17.7%	19.4%	20.0%	-1.6%	19.7%	
5	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure: <b>6% - 8%</b>	6.6%	6.3%	5.7%	5.6%	6.2%	-1.4%	6.1%	
6	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Revenue: <b>6% - 8%</b>	6.2%	5.8%	5.3%	5.1%	5.8%	-1.8%	5.7%	

- **Debt (Total borrowings) to Total operating revenue:** The ratio results illustrate that the municipality has additional capacity to take on more borrowings.
- Capital cost (Interest + Principal) to Total operating expenditure: The ratio results reflect capital cost which appears to be affordable, and the municipality having further capacity to increase its borrowing position, however other cashflow projections will have to be considered.

#### 4.2.4 Expenditure Management

No.	Financial ratios & norms	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	*CAGR	Projection	Overall Rating
9	Remuneration as a % of Total Operating Expenditure: <b>25% - 40%</b>	39.6%	39.5%	37.7%	36.6%	36.8%	-1.8%	36.1%	
10	Contracted Services as a % of Total Operating Expenditure: <b>2% - 5%</b>	5.4%	7.0%	5.7%	6.3%	7.9%	9.7%	8.7%	
11	Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure: <b>0%</b>	1.0%	3.2%	0.9%	0.2%	0.0%	N/A	N/A	




- Remuneration of staff against Operating Expenditure. The ratio results for the period reviewed suggests possible inefficiencies in the management and utilisation of human resources. The relationship observed between declining remuneration and increasing contracted services should be tailored by policy decision, that results in efficiencies and skills being transferred for medium- and long-term benefit to the municipality.
- Contracted Services as a % of Total Operating Expenditure: These ratio results indicate that the municipality outsources some of the functions to consultants. It is recommended that the senior official of the municipality should monitor the transfer of skills and knowledge to the responsible municipal officials.
- It is encouraged that the Municipality continue to improve and strengthen its control environment around expenditure with adherence to the approved budgets, and review of all expenditure and liabilities to drive zero-tolerance toward unauthorised, irregular, fruitless and wasteful expenditure.

#### 4.2.5 Working Capital

No.	Financial ratios & norms	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	*CAGR	Projection	Overall Rating
7	Net debtors' days: <b>≤30 days</b>	109 days	138 days	132 days	82 days	89 days	-5.0%	84 days	
8	Creditors Payment Period (Trade Creditors): <b>30 days</b>	21 days	8 days	29 days	30 days	29 days	7.5%	31 days	




- Net debtor's days: The ratio results reflect year-on-year fluctuations of debtor's collection period after impairment over the years of assessment. In the 2021/22 financial year the municipality took 89 days to collect revenue from debtors, which is a slight deterioration from the previous financial year. In the 2021/22 financial year, the consumer debtors increased by 4.79 per cent (R50.09 million) from R104.62 million to R109.66 million, whilst actual billed revenue increased by 8.7 per cent (R33.43 million) from R263.94 million to R297.37 million. Furthermore, Bad debts Provision decreased by R8.13 million from R45.39 million to R37.26 million. The result indicates that the municipality is experiencing challenges in the collection of outstanding amounts due, and a significant amount of potential cash is tied up in consumer debtors.
- Creditors Payment Period (Trade Creditors): The municipality took 29 days to settle its Creditors in 2021/22 financial year. These ratio results indicate that effective controls are in place to ensure prompt payments of creditors as the municipality has sufficient funds to cover its monthly operating expenditure as they become due. It is evident that between 2020 and 2022, strategies were put in place by the municipality to reduce the creditor payment days as a decrease in the ratio can be seen.
- Cash coverage has an increased trend year on year, illustrating the municipality's high cash reserves position. When comparing this result with the Trade Creditors Payment days, it illustrates that the municipality can shorten the creditors payment days and should do so.

## 4.2.6 Going Concern

No.	Financial ratios & norms	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	*CAGR	Projection	Overall Rating
12	Total Liabilities to Total Assets: <b>&lt;50%</b>	35.8%	34.2%	35.0%	37.3%	37.2%	1.0%	37.5%	
13	Total Debt to Total Assets	10.9%	10.5%	9.6%	9.8%	10.1%	-1.8%	10.0%	
14	Current Ratio: <b>1.5 - 2:1</b>	3.6	4.2	3.3	3.1	3.5	-1.0%	343.5%	

- The net asset position of the Municipality is sound, indicating that the municipal assets can cover the liabilities. The Municipality appears to be maintaining solvency and manages its liabilities well when compared to its asset base. There also is acceptable liability management across the financial years assessed.
- Current Asset to Current liabilities: ratio results are favourably more than the acceptable norm of 1:1. These results indicate that the Municipality will be able to settle its short-term obligations as they become due by utilising Current Assets.

\* CAGR = Compound annual growth rate is a business and investing specific term for the geometric progression ratio that provides a constant rate of return over the time period.  $CAGR = [(End\ Value/Beginning\ Value)^{1/number\ of\ years\ of\ growth}] - 1$

	Favourable
	Unfavourable
	Needs Improvement

## 4.3 mSCOA IMPLEMENTATION

### 4.3.1 mSCOA Priorities

- Ensure governance of mSCOA implemented at municipalities, i.e., roadmaps in place and adequate, SteerComs in place and functional, champions appointed and active.
- Promote the use of the FAQ database for all queries and report updates via forums (i.e., MAF, AWC).
- Perform on-site inspection and assessment of municipalities' systems and implementation to determine compliance (circulars, legislation, regulation), vulnerability and progress of mSCOA implementation.

## 4.4 MSCOA IMPLEMENTATION

### 4.4.1 Credibility of mSCOA data strings

- MFMA Circular No.122 states that the credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2023/24 municipal financial year.
- Municipalities have been given access to the GoMuni portal in April 2022 and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasised that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections.

- The Municipality is commended for showing improvement with the implementation of mSCOA regulations however, there are still challenges identified with the Balance sheet (A6) and Cash flow budgeting (A7). VAT accounting treatment and balance sheet budgeting. The Municipality is urged to make the necessary correction on the ORGB data strings.
- To assure the accuracy of the relevant budget data strings, a segment use analysis on 2023/24 TABB data strings was performed, and a summary is illustrated in table 4 below.

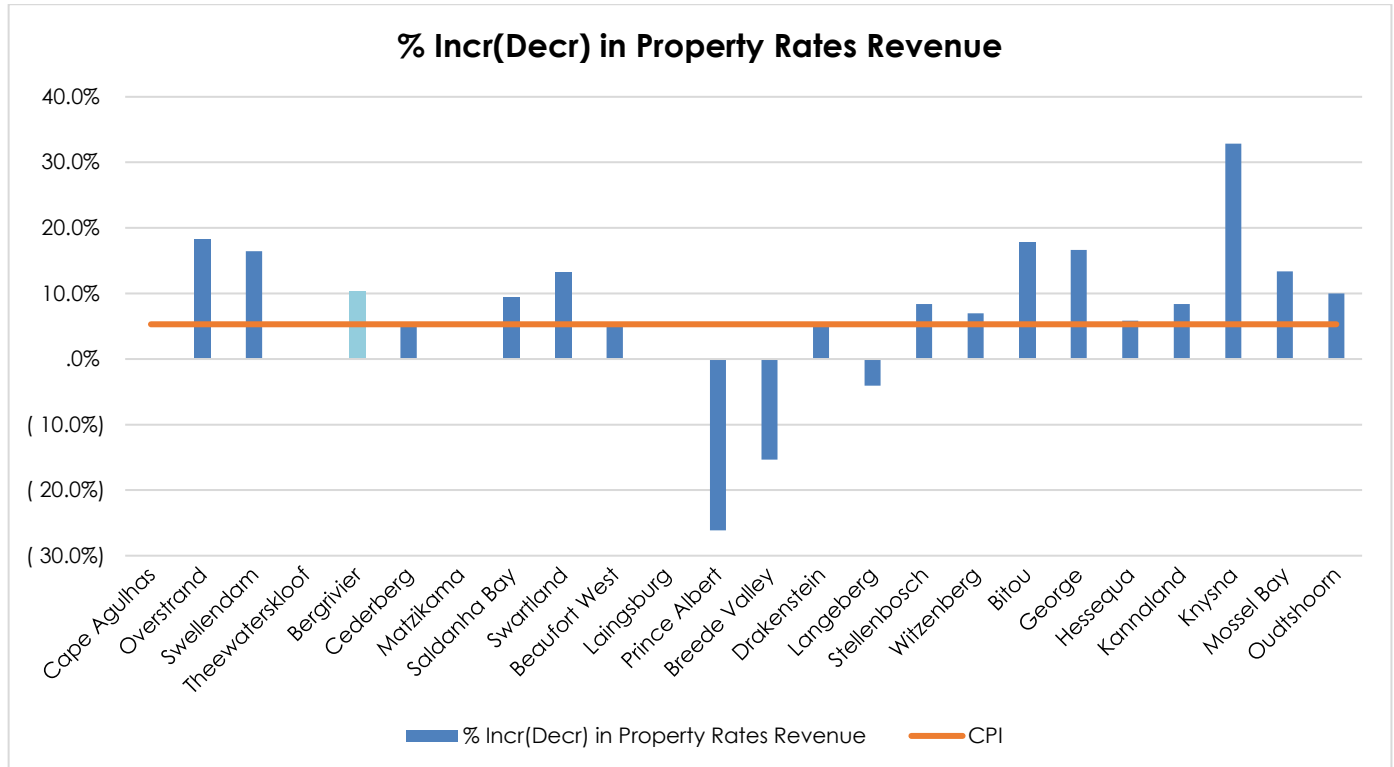
**Table 3 mSCOA Segments Use Analysis**

mSCOA Segment Analysis		TABB
No	Segment	
<b>1</b>	<b>Project Segment</b>	
1.1	Use of the Project Segment	Limited use of the Project Segment.
<b>2</b>	<b>Fund Segment</b>	
2.1	Use of Fund Segment	Limited use of the Fund Segment.
<b>3</b>	<b>Function Segment</b>	
3.1	Use of Function Segment	Used Correctly
<b>4</b>	<b>Costing Segment</b>	
4.1	Use of Costing Segment	Used Correctly
<b>5</b>	<b>Region Segment</b>	
5.1	Use of Region Segment	Used Correctly
<b>6</b>	<b>Item Segment :</b>	
6.1	<p>The municipality is still struggling with budgeting balance sheet and cash flow concerns. Accounting movements are not populating in the contra accounts automatically, and those that do populate do not correspond to the amounts presented on the Income Statement.</p> <p>More detail in terms of the usage of the segments was done on the segment tools and shared with the Municipality.</p>	
<b>8.</b>	<b>Inventory Consumed</b>	Appropriately used the available options
<b>9</b>	<b>Water Inventory</b>	Adequately used available options to create an accurate budget for water inventory
<b>10</b>	<b>Fines</b>	The fines issued are not reconciling with the receivables from non-exchange fines
<b>11</b>	<b>VAT</b>	VAT was not Accounted for Services

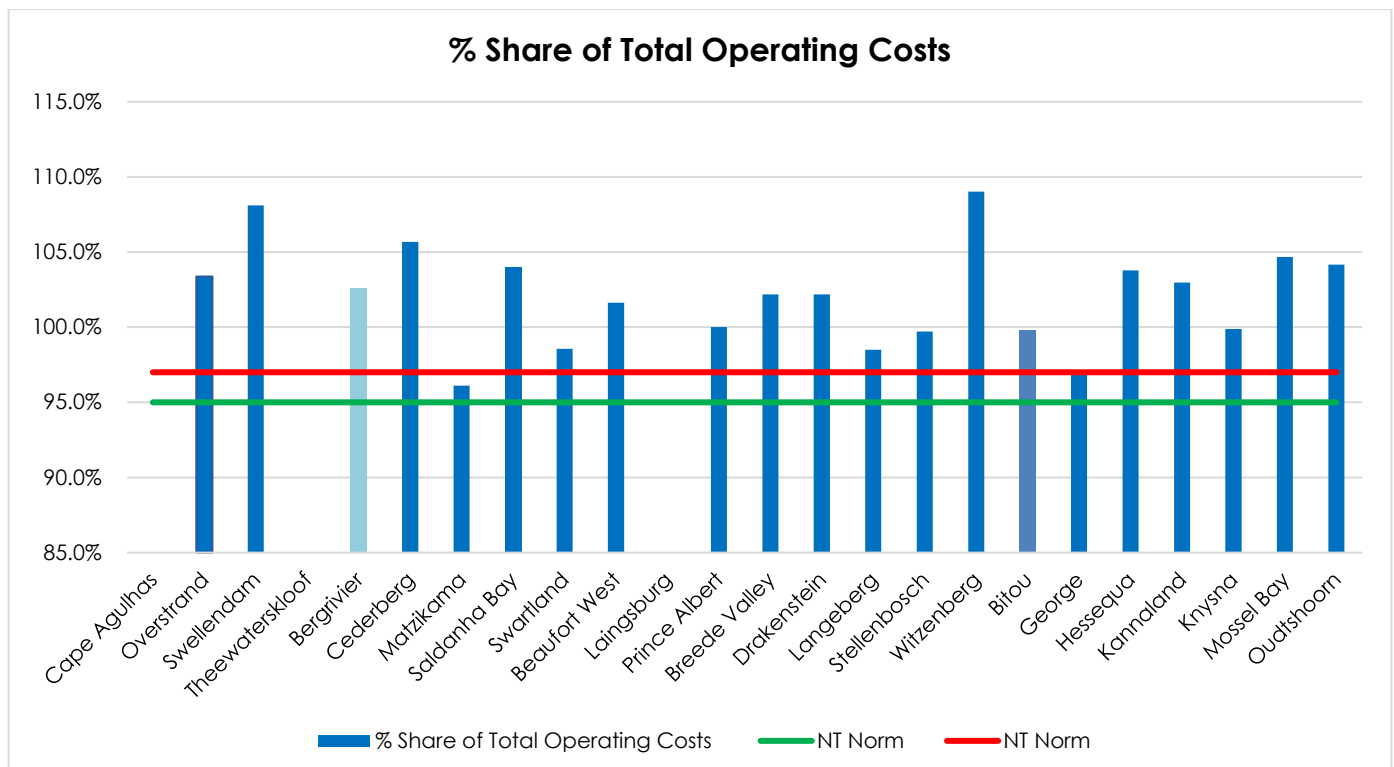
- Provincial Treasury has provided the TABB segment tools analysis with the municipality, with the goal of assisting municipalities in examining their data and determining if the information is appropriately retrieved across all segments before finalising the ORGB data strings. TABB shall be rectified in the ORGB before the adopted budget is locked on the financial system and the ORGB data string is created. Furthermore, it is recommended that the Municipality make themselves available for a session (via MS Teams) on the TABB segment analysis to provide further clarification on the segment analysis tools.
- MTREF Budget Circular 123 highlights that the National Treasury will regulate the minimum business processes and system specifications for mSCOA by the end of 2024/25. A new transversal tender for the provision of ERP financial systems that complies with these regulations will be put in place once the regulations have been issued. Municipalities should therefore exercise extreme caution when changing their financial systems at this stage to eliminate fruitless and wasteful expenditure by procuring financial systems that might not comply with the said regulations.

Municipal Benchmarking Graphs

Graph 1 Percentage Increase in Property Rates Revenue

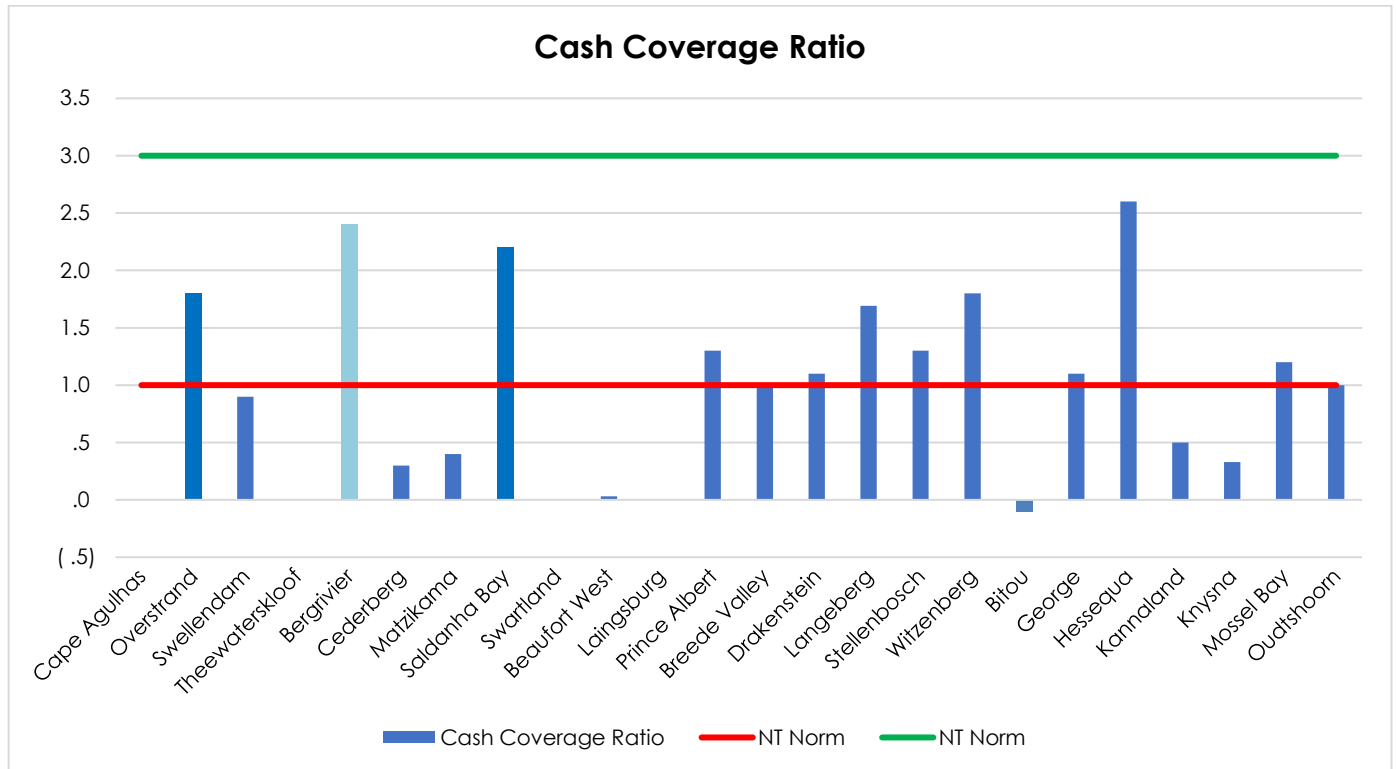


Graph 2 Percentage share of Total Operating Costs against total Operating Revenue

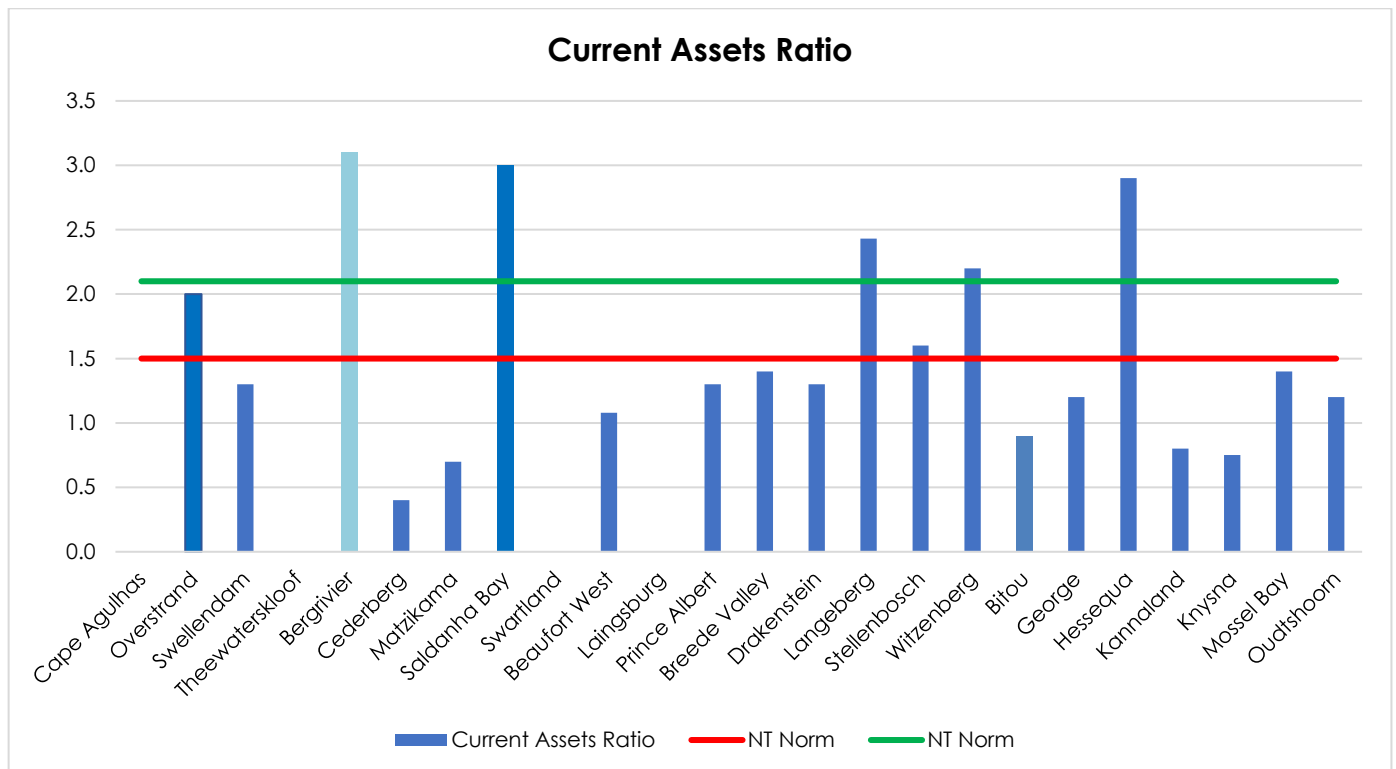




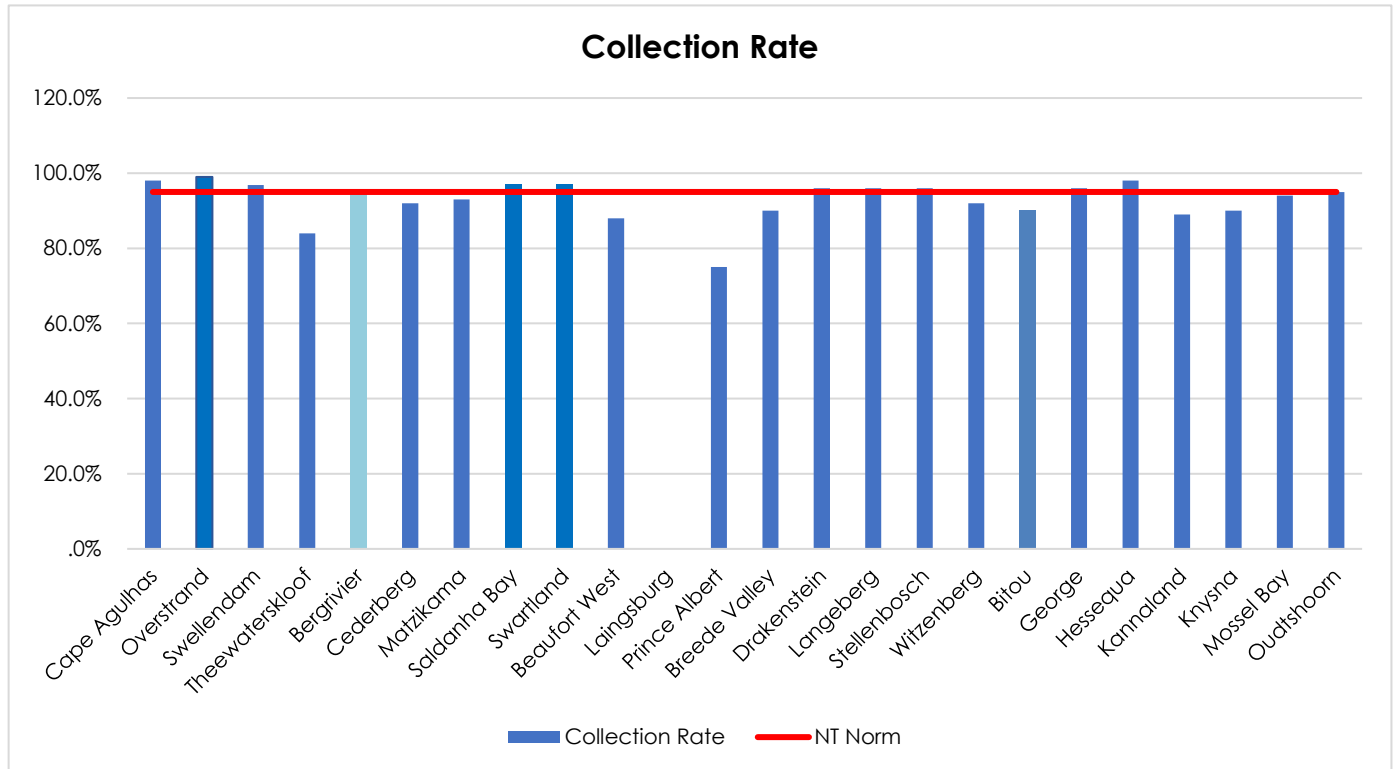
**Graph 3 Cash coverage**



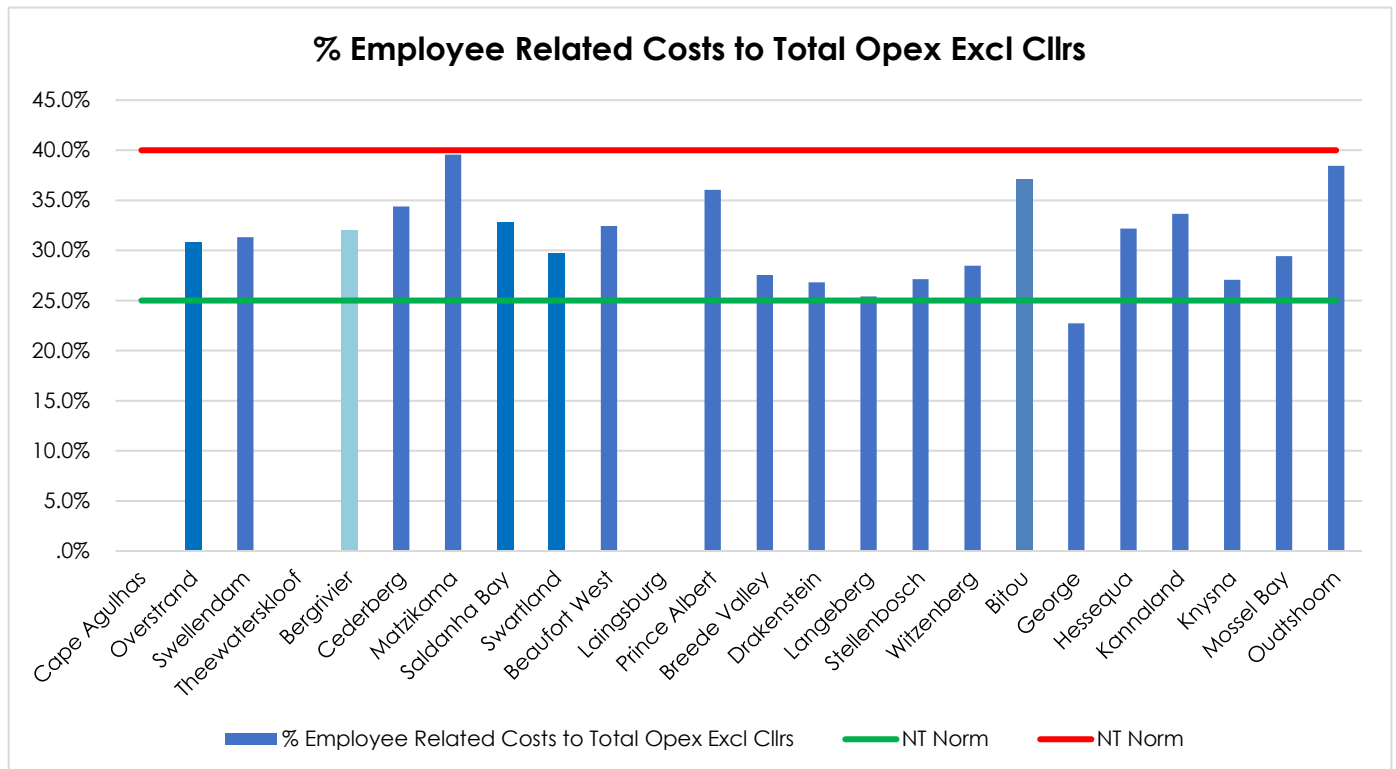
**Graph 4 Current Asset Ratio**



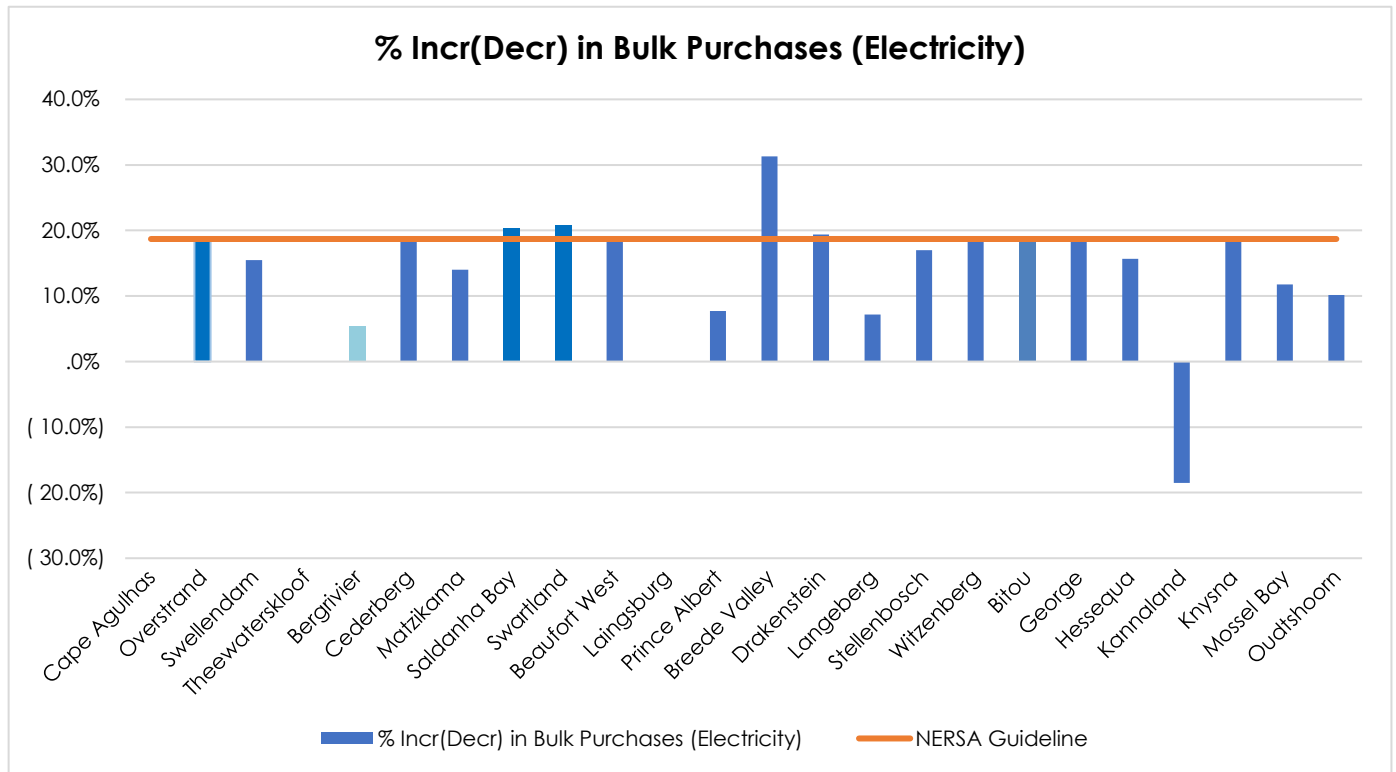
**Graph 5 Collection rate**



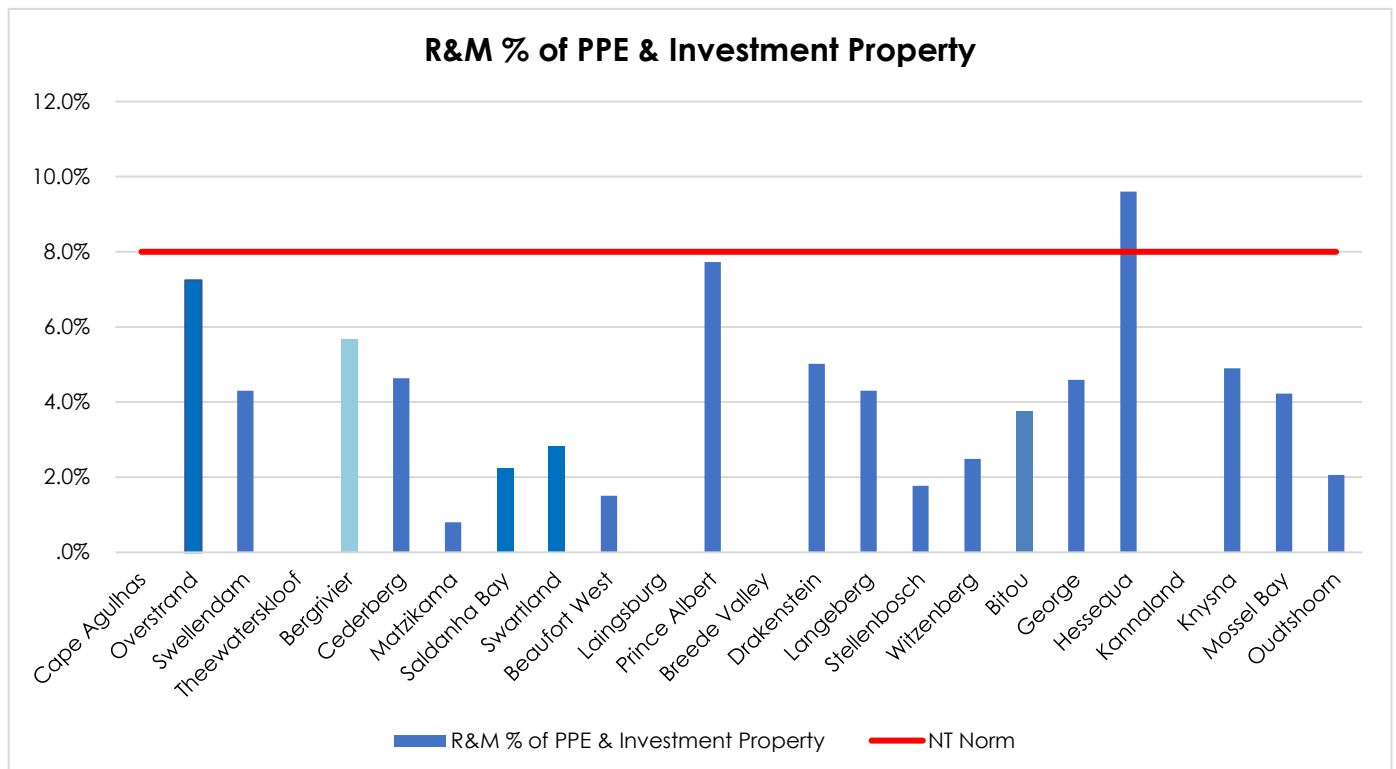
**Graph 6 Percentage Employee Related Costs to Total Opex (Excl Cllrs)**



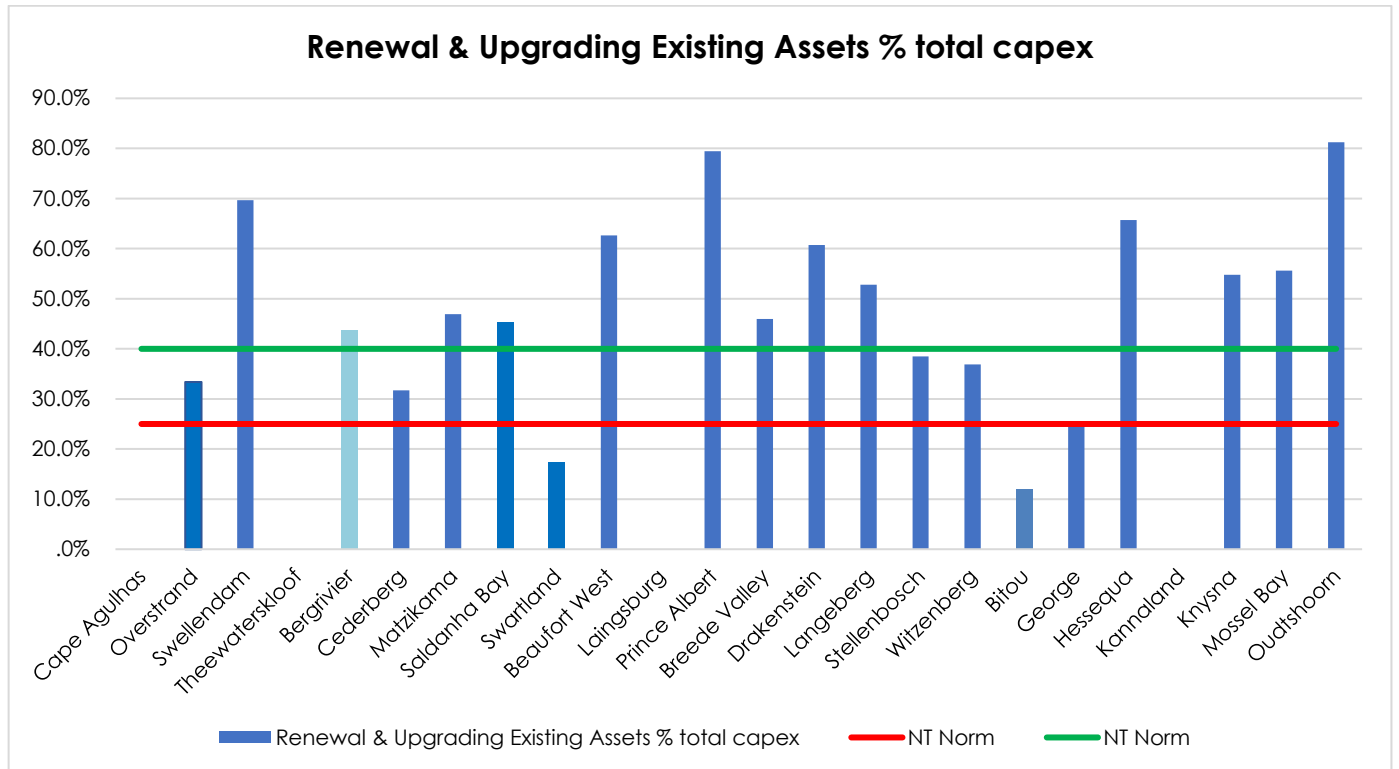
**Graph 7 Percentage Increase in Bulk Purchases (Electricity) Expenditure**



**Graph 8 R&M as a percentage of PPE & Investment Property**



**Graph 9 Renewal and upgrading existing assets as a percentage of total capex**



**Annexure E Municipal  
response to SIME  
Assessment**

# BERGRIVIER MUNICIPALITY

2023 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENT (SIME)

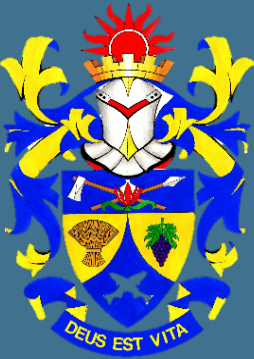


05 MAY 2023

# CONTENTS

## Opening and Welcoming – Vision and Strategic Goals

- 2023/24 MTREF Assessment Response
- Key Areas for Discussion
- Top Municipal Priority areas for discussion
- Capital Budget Discussion
  - Funding mix & external borrowing strategy
  - Infrastructure pipeline
  - Long-term financial planning
- Key service delivery & fiscal risks
- Conclusion





# Bergrivier Munisipaliteit – Strategiese Visie

## 2021—2026

### Visie

Bergrivier! ‘n Vooruitstrewende gemeenskap waar almal wil werk, leef, leer en speel op ‘n menswaardige manier.

### Doelstellings

### Leuse

Ons dien met trots!  
We serve with pride!  
Sisebenza Ngocuzingca!



Strengthen financial sustainability



Ensure good governance



Sustainable service delivery



Facilitate an enabling environment for a diversified economy and growth to alleviate poverty



Empowering people through innovation

### Kern waardes / Values:

Menswaardigheid, innovering, eerlikheid, goeie diens, samehorigheid, respek

### Tema 2022/23:

Jaar van voortgesette positiewe vennootskappe vir ‘n menswaardige toekoms!



# 10 CORE VALUES OF BERGRIVIER MUNICIPALITY



**2022 / 2023 THEME:**

Continued positive partnerships for a dignified future

**VISION**

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



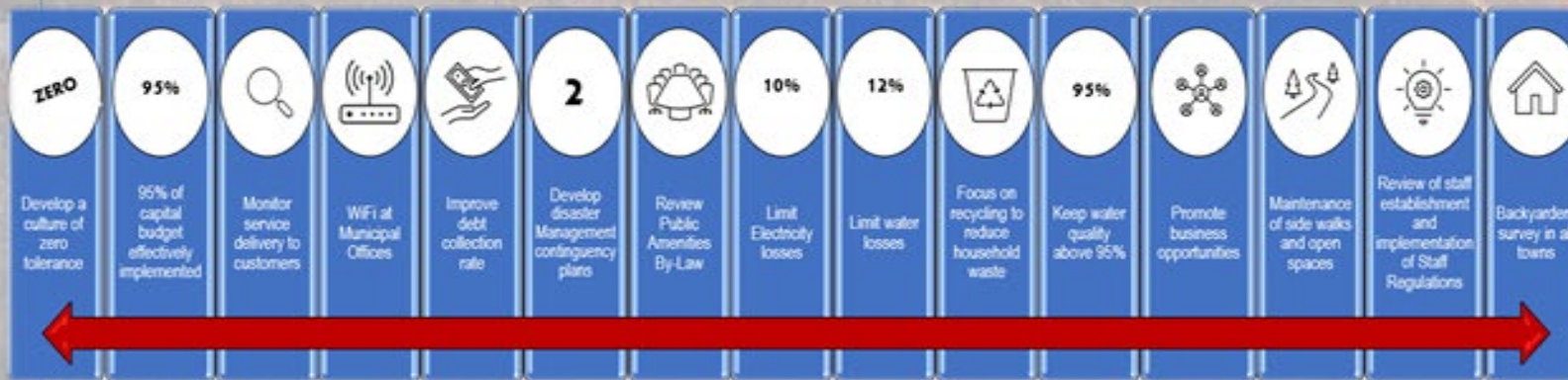
**VISIE**

Bergrivier! 'n Vooruitstrewende gemeenskap waar almal wil werk, leef, leer en speel op 'n menswaardige manier.

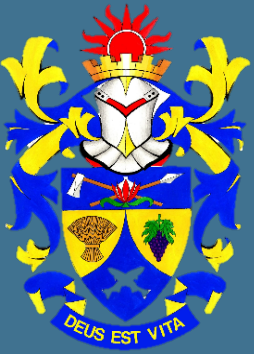


## A FEW SERVICE DELIVERY AREAS

APPROVED TL SDBIP 2022 / 2023



ONS DIEN MET TROTS / WE SERVE WITH PRIDE / SISEBENZA NGOCUZINGCA



# 2023/24 MTREF Assessment Response



# 2023/24 MTREF Assessment Response

## INTEGRATED PLANNING ANALYSIS

A food security program has already been established in conjunction with Department Agriculture.

Department of Health must have their inputs ready in February during the IDP discussion with all the sector departments as all the other sector departments had already done. Reference will be made in the IDP to the District Health Plan.

## ENVIRONMENTAL AND PLANNING ANALYSIS

### *SPATIAL PLANNING*

- Preparation of Bergrivier Spatial Development Framework (Bergrivier MSDF) is currently underway.
- The Bergrivier MSDF is being compiled with an Inter-Governmental Steering Committee (IGSC). Provincial Departments will therefore have the opportunity to include their various plans.
- Emphasis will be place on a more detailed Capital Expenditure Framework (CEF) during preparation of the Bergrivier MSDF currently being compiled. A more detailed CEF will assist with measuring implementation of the MSDF.

## 2023/24 MTREF Assessment Response

### ***BIODIVERSITY***

- Budget request is made annually to the Directorates within the Municipality to allocate budget for the clearing of invasive species clearing within the Municipal area.
- Tender for Alien invasive clearing was completed in 2021/22 financial year in the amount of R 350 000 and invasive species were cleared in Porterville.
- Follow-up clearing of this site in Porterville will commence within the next financial year, as R 80 000 was made available for this.

## 2023/24 MTREF Assessment Response



### ***CLIMATE CHANGE***

- Tender for the revision of the Bergrivier Municipal Climate Change Adaptation Plan commenced in 2023, for period ending 30 June 2024 by an appointed consultant (Gondwana Environmental Solutions International)
- Stakeholder engagement sessions are currently taking place within the Municipality, other state departments and community and relevant stakeholders.
- During these sessions projects and needs are identified which will be included in the new Climate Change plan currently in process. This can then be aligned with the Municipal IDP and budget process.

# 2023/24 MTREF Assessment Response



## FINANCE AND RISK CAPACITY

There are five key factors that have been taken into consideration in the compilation of the 2023/24 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Bergrivier Municipality's residents and businesses;
- The impact of municipal cost drivers (loadshedding – cost of vandalism, security, diesel for generators and overtime);
- The increase in prices for bulk electricity and water; and
- The increase in the cost of employment for 2023/2024 (5.4% plus 2.4%)



### Other assumptions and key considerations in compiling the budget:

- Collection rate of 95%
- Water (15%) and electricity (10%) distribution losses
- Affordability of municipal bill
- Cost reflective tariffs except for Refuse Removal
- Guideline increase for electricity tariff received very late and resulting a further shortfall of R1 million
- Reliance on surpluses generated by trading services to balance budget



### Other assumptions and key considerations in compiling the budget:

- Revenue enhancement project still in progress – anticipated that additional revenue of R4million could potentially be levied
- Funding mix remains a challenge as more borrowing will be incurred to finance critical infrastructure needs (slight deviation from long term financial plan)
- Depreciation not fully cash backed due to affordability and weak economic conditions – phased approach to build CRR
- Key ratios remain within the targets set as per the long term financial plan
- Cash surpluses being posted over the MTREF improving cash reserves from R152,5million in 2023/24 to R173,2million in 2025/26



## 2023/24 MTREF Assessment Response



- Implementation of mSCOA and perfect alignment remains work in progress between Municipality and Service Provider, welcome any input from PT as requested before and offered by PT
- Focus on debt collection to increase the ratio and implement debt write off policy
- Challenges with transversal contracts, delays in delivery and turn around times and timeous extensions of contracts
- Fleet management, security services and IT will be centralised which will contribute to improved procurement and benefitting from economies of scale



## 2023/24 MTREF Assessment Response

- Whilst Municipality has a low level of reliance on grant funds, this is unsustainable given the economic growth and other macro and global economic conditions
- Municipality will investigate the possibility of outsourcing the resorts as these are operated at a deficit
- Contracted services as % of total operating expenditure is due to transport of waste from transfer stations to landfill sites in Swartland and Saldanha Bay – in sourcing of this could potentially be preferable in terms of cost efficiencies
- Awaiting PT comment on Municipal SCM Policy and would require further input into Municipal Cost Containment Policy.



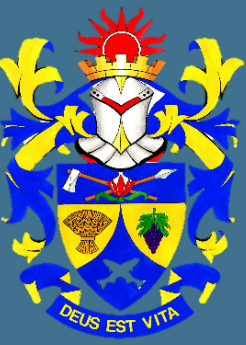
# Key Areas for Discussion

**Every Provincial Department present:  
Please inform us on the current work in  
Bergrivier Municipal Area plus your 5  
year strategy/ vision for our area  
based on our IDP and SDF**



## Priority:

- **Water security**
- **Compliance to the mSCOA regulations by implementing an ERP system**
- **Introduce Information and Communication Technology (ICT) infrastructure, embracing e-governance and attempting to attract high-tech industries to encourage economic growth to become a Smart City**

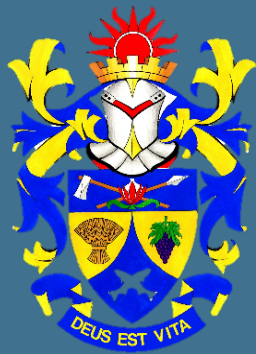


# Capital Budget Discussion



# Funding Mix & External Borrowing Strategy

- The Municipality is currently funding its operations and capital expenditure primarily through grant funds, public contributions and donations, own revenue and external loans
- External loans should not exceed 30% of own revenue and should primarily be for revenue generating assets
- Important to maintain a healthy level of funding in the CRR to be able to respond to any emergency shocks
- Current interest rate extremely high and being considered when deciding to borrow funds
- Term of borrowing coincide with the life expectancy of the capital asset acquisition
- Future operating costs of capital expenditure financed from borrowings to be considered and weighed against the operating revenue
- Possibility of consolidation of external loans to reduce debt service cost.
- Finance charges on external loans not to exceed the NT norm of 6% to 8%



# Infrastructure Pipeline

## *Major infrastructure pipelines:*

- *Reservoir - Piketberg*
- *Upgrading of water treatment works - Piketberg*
- *Velddrif Pipe replacements*
- *Water security*
- *RBIG Application: Velddrif Sewerage Water*

## *Key risk:*

- *Safety and security of critical infrastructure*
- *installation of alternative energy solutions etc.*



# Long-term Financial Planning

- Funding mix remains a challenge as more borrowing will be incurred to finance critical infrastructure needs (slight deviation from long term financial plan)
- Depreciation not fully cash backed due to affordability and weak economic conditions – phased approach to build CRR
- Key ratios remain within the targets set as per the long term financial plan
- Cash surpluses being posted over the MTREF improving cash reserves from R152,5million in 2023/24 to R173,2million in 2025/26
- Focus on improving the collection rate – only two avenues to explore as per long term financial plan is to increase collection rate or to increase the loan tenure.
- Continued influx of low income households into the area
- The cost of servicing the landfill site rehabilitation – unfunded provision projected at R120million as at the end of 2023/24





## Key service delivery & fiscal risks

- **Biggest risk is the inability of the consumer base to cover the increasing cost of service delivery as Municipal inflation exceeds the CPI by far**
- **Revenue from National and Provincial fiscus would appear to be constrained given the challenges of loadshedding and sluggish economic growth as well as Government spending priorities**
- **Our tax base extremely limited and surpluses from electricity may no longer be utilized to cross subsidize rates funded services**
- **Ageing infrastructure and lack of bulk services capacity may hamper economic development and growth.**

~ WE SERVE WITH PRIDE • ONS DIEN MET TROTS ~

**THANK YOU / DANKIE / ENKOSI KAKHULU**

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